



# Evaluation of the European Union's Co-operation with Armenia 2010-2017

Final Report  
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*The opinions expressed in this document represent the authors' points of view which are not necessarily shared by the European Commission or by the authorities of the countries involved.*

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## List of acronyms

AA	Association Agreement
ADB	Asian Development Bank
ADS	Armenia Development Strategy
AETR	Agreement on Vehicles Engaged in International Road Transport
AFD	Agence Française de Développement
AMD	Armenian Drams (currency)
ARD	The Armenian Roads Directorate
BEE	Business Enabling Environment
CEDAW	UN Convention on the Elimination of Discrimination against Women
CEPA	Comprehensive and Enhanced Partnership Agreement
CSP	Country Strategy Paper
DCFTA	Deep and Comprehensive Free Trade Area
DCI	Development Cooperation Instrument
DFID	Department for International Development (UK)
DGCA	Directorate General for Civil Aviation
DG NEAR	Directorate General for Neighbourhood and Enlargement Negotiations
EaP	Eastern Partnership
EaPIC	Eastern Partnership Integration and Cooperation programme
EBRD	European Bank of Reconstruction and Development
ECHR	European Convention on Human Rights
EE	Energy Efficiency
EEAS	European External Action Service
EED	Energy Efficiency Directive
EEU	Eurasian Economic Union
EIA	Environment Impact Assessment
EIB	European Investment Bank
EIP	External Investment Plan
ENA	Electric Networks of Armenia
ENI	European Neighbourhood Instrument
ENPI	European Neighbourhood and Partnership Instrument
EPI	Environmental Policy Integration
EPSO	Electro Power System Operator CJSC
EU	European Union
FDI	Foreign Direct Investment
FGE	UN Women Fund for Gender Equality
GAP	Gender Action Plan
GDP	Gross Domestic Product
GEWE	Gender Equality and Women Empowerment
GFP	Gender Focal Point
GoA	Government of Armenia
GSP+	Generalized System of Preferences Plus
GTG	Gender Theme Group
HVEN	The High Voltage Energy Network CJSC
ICCPR	International Covenant on Civil and Political Rights

ICESCR	International Covenant on Economic, Social and Cultural Rights
IFI	International Financing Institutions
IL	Intervention Logic
INDC	Intended Nationally Determined Contributions
IPR	Intellectual Property Rights
IWRM	Integrated Water Resource Management
JC	Judgment Criteria
LFIs	Loans and Grants Financial Institutions
LPI	Logistics Performance Index
MDG	Millennium Development Goal
MEA	Multilateral Environmental Agreements
MEL	Monitoring, Evaluation & Learning
MNPP	Metsamor Nuclear Power Plant
MoTAI	Ministry of Territorial Administration and Infrastructure
MS	EU Member State
NCSD	National Council on Sustainable Development
NEEAP	National Energy Efficiency Action Plan
NGO	Non-governmental Organisation
NIP	National Indicative Programme
OSCE	Organization for Security and Co-operation in Europe
PCA	Partnership and Cooperation Agreement
PPPs	Public-Private Partnerships
PSRC	The Public Services Regulatory Commission
RCA	Revealed Comparatives Advantage
RE	Renewable Energy
RoA	Republic of Armenia
SBA	Small Business Act
SCR	South Caucasus Railway
SD	Sustainable Development
SDP	Sustainable Development Program
SEA	Strategic Environmental Assessment
SHPP	Small, run-of-the-river Hydropower Plants
SME	Small and Medium Size Enterprises
SME DNC	SME Development National Center of Armenia
SNCO	State Non-commercial Organization
SPP	Solar Power Plan
SPS	Sanitary and Phytosanitary Measures
SS	Soil Standard
SSF	Single Support Framework
TA	Technical Assistance
TAP	Technical and Administrative Provisions
TBT	Technical Barriers to Trade
ToR	Terms of Reference
TRACECA	Transport Corridor Europe-Caucasus-Asia
UN	United Nations
UNCT	United Nations Country Team
UNDP	United Nations Development Program
UNECE	UN Economic Commission for Europe

UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
US	United States
USAID	United States Agency for International Development
USD	United States Dollar
WB	World Bank
WEI	Water Exploitation Index
WHO	World Health Organisation
WILD	Women in Local Democracy Project
WSC	Women's Support Centre
WTO	World Trade Organisation



# 1. Executive summaries

## 1.1. Overall Executive Summary

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This evaluation aims to assess whether and to what extent the various projects and programmes financed by the EU are contributing to the achievement of the strategic objectives of the EU Cooperation with Armenia. It identifies key lessons to inform and improve current and future choices. The timeframe covered by the evaluation is 2010–2017. Over this period, Armenia received some EUR 568 million<sup>1</sup> in cooperation assistance from EU Institutions<sup>2</sup>, including from the European Neighbourhood and Partnership Instrument (ENPI), the European Neighbourhood Instrument (ENI) and the European Investment Bank (EIB).

Programming of assistance was broadly relevant, responding appropriately to changes in strategic direction and national and regional events. The EU considerably strengthened donor coordination from 2015. The EU's geopolitical, cultural and economic influence and the range of instruments and modalities available have provided considerable added value to its cooperation with Armenia. More than 60% of actual expenditure through the EU Delegation (excluding EIB) was linked to general or sector budget support programmes. Sector budget support (SBS) provides an effective framework for supporting long term system-wide and sustainable change. SBS design needs to better reflect political and institutional realities and capacity constraints, and monitoring, evaluation and learning related to the system-wide changes can be improved.

Progress has been made in providing tools and knowledge for improved programming and implementation with respect to mainstreaming gender issues; the next step is to apply these tools in practice.

System-wide changes were realised in the areas of vocational education and training, agriculture and rural development. The justice sector improved largely in terms of legislation and institutional reforms, but improvements in the actual performance of the judiciary and criminal justice system were constrained by inadequate resources and political will from the side of the Government. Public administration reform was constrained by the absence of a central government authority to coordinate and implement reforms, while public financial management progressed well.

Legislative and constitutional changes improved the formal situation with regard to human rights, supported by an innovative EU human rights budget support programme. Engagement with and support for civil society organisations has contributed to a more healthy and vibrant civil society scene; their involvement in policy and dialogue has strengthened policy making in some areas. A shift in strategy regarding trade and economic development has contributed to small-scale improvements that may yield wider results in the coming years. Likewise, investments in connectivity infrastructure are appropriate but will take time to see tangible results. The EU has contributed to improved border-crossing flows and better migration management.

The EU has emerged at the end of this evaluation period with clearer objectives and a coherent and powerful range of instruments to support Armenia's resilience, development and reforms within the framework of the European Neighborhood Policy. More work is needed, however, to strengthen monitoring, evaluation and learning at the level of the EU's strategic support to the country. Larger interventions can be improved with more realistic assessments of political economy factors and organisational capacities at the design stage, together with greater responsiveness to events during implementation. Staff levels in the delegation need to be proportional to the workload.

<sup>1</sup> <https://euaidexplorer.ec.europa.eu>

<sup>2</sup> 'EU Institutions' is the terminology used by OECD DAC to record flows of Official Development Assistance. It includes both the European Commission and the European Investment Bank.

## 1.2. Executive Summary

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This “Evaluation of the European Union’s co-operation with Armenia, Country Level Evaluation” aims to “assess whether and to what extent the various projects and programmes financed by the EU under the European Neighbourhood and Partnership Instrument (ENPI), the European Neighbourhood Instrument (ENI), and the EU thematic programmes in the period 2010-mid-2017 are contributing to the achievement of the strategic objectives of the EU Cooperation with Armenia”. The evaluation should also “identify key lessons to improve current and inform future choices”.

The timeframe covered by the evaluation is 2010–2017; the primary criterion for identifying actions for consideration in this evaluation is whether actions incurred EU expenditures during that period; therefore, it also includes consideration of actions that were planned prior to 2010. The bulk of research for the evaluation was carried out in 2018 and 2019. The country experienced a significant political change in 2018; nevertheless, this evaluation does not aim to assess these changes or their consequences, retaining its focus on the period to 2017. It does, however, make reference to subsequent events where appropriate and necessary.

Armenia is an upper middle-income country of 2.9 million people that regained independence from the Soviet Union in 1991. In 2015, constitutional amendments changed the governance structure from a semi-presidential to a parliamentary system. Armenia is landlocked and has only two open borders: a northern border with Georgia and a southern border with Iran. Borders with Azerbaijan and Turkey have been closed since the early 1990s as a result of the conflict in Nagorno Karabakh.

The country has been part of the European Neighbourhood Policy (ENP) since 2004. While participating in the Neighbourhood processes, Armenia received some EUR 568 million<sup>3</sup> in cooperation assistance from EU Institutions<sup>4</sup> between 2010 and 2017 which was mostly, but not exclusively, through the European Neighbourhood and Partnership Instrument (ENPI) and more recently the European Neighbourhood Instrument (ENI). The EU is the largest single aid donor to the country. The EU’s strategic goals towards Armenia are most readily captured by the four priorities agreed in Brussels in November 2017:

- Stronger Economy (economic development and market opportunities)
- Stronger Governance (strengthening institutions and good governance)
- Stronger Connectivity (connectivity, energy efficiency, environment and climate change)
- Stronger Society (mobility and people-to-people contacts)

This evaluation draws its data from three key sources: a review of documentation covering sectoral analysis, programming, project specific data and evaluations; analysis of key data from the EU’s CRIS and MIS systems and from the OECD DAC database of official development assistance; and primary data gathered through interviews and focus group discussions in Armenia in May 2019. The findings have been assessed against reconstructed logic models, based on EU programming documents, to provide a structured approach to examining the data and assessing real results against expected outcomes and impacts.

### *Key findings*

**Relevance.** Programming at country level broadly followed the strategic directions set by Brussels for the Neighbourhood and Eastern Partnership. There were four inflexion points affecting the evaluation period; the launch of the Eastern Partnership (EaP) in 2009, the review of the European Neighbourhood Policy in 2011, the launch of the European Neighbourhood Instrument in 2014 replacing ENPI and increasing available funding, and the second review of Neighbourhood Policy in 2015 combined with the EaP Riga summit conclusions the same year. EU programming in Armenia largely responded to the messages

<sup>3</sup> <https://euaidexplorer.ec.europa.eu>

<sup>4</sup> ‘EU Institutions’ is the terminology used by OECD DAC to record flows of Official Development Assistance. It includes both the European Commission and the European Investment Bank.

emerging from each of these policy events, with a time lag that was inevitable given the nature of the programming process. At country level, Armenia’s pivot away from the EU and towards the Eurasian Economic Union in 2013 was the moment at which the EU had to fundamentally reassess its strategy towards the country. After a pause in new commitments in 2014 (see figure below), EU support shifted away from legislative approximation to EU rules as a tool for support to economic development and towards investment in the economy – infrastructure, agriculture and SMEs.

**Coherence, complementarity and coordination.** From 2015, the EU Delegation worked hard to strengthen donor coordination. Member states and other major donors were impressed and pleased with this effort; the effect of this improved coordination is likely to be felt after the end of the evaluation period (2017). There were no effective all-of-government approaches from the side of the Government to supporting donor alignment and donor coordination during the evaluation period. Individual ministries, such as the Ministry of Education and Science, organised their own donor meetings to improve sectoral alignment. The EU relied on work by UNDP/UN Resident Coordinator to promote the Government’s coordination capacities. The EU’s information management systems are not efficient in providing accessible information about programme implementation, results and learning; nor are the monitoring systems appropriate for tracking strategy implementation and outcomes and impact of EU cooperation.

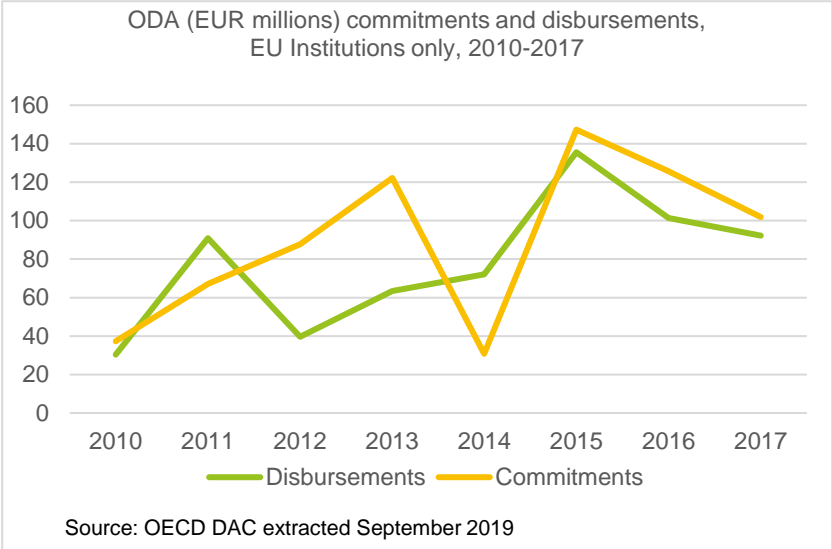


Figure 1: ODA commitments and disbursements

**EU added value.** The EU’s geopolitical, cultural and economic influence and its range of instruments provide considerable added value to its cooperation with Armenia. The incentive of closer ties with the EU – in trade, in freedom of movement and in education, for example – stimulated and encouraged reforms in Armenia. The ability of the EU to offer meaningful and informed technical dialogue in areas such as vocational education and public administration reform add a level of detail and technical knowledge which helps to design the mechanisms and the process by which reform can take place. Finally, the financial instruments – in particular budget support – provide the means by which reforms can be put into practice.

As the largest single donor, the EU is uniquely placed to marshal the efforts of other donors and international financial institutions and ensure coherence and coordination in their support for the country.

The Armenian public is increasingly aware of the EU’s support and increasingly positive in its view of the EU.

**Modalities.** Prior to 2007, there was a concern that EU assistance through TACIS was, while relevant, too fragmented to achieve long term sustainable results. Assistance to Armenia over the evaluation period 2010-2017 was centred on several large budget support programmes that aimed to achieve deep and lasting reform. These included justice reforms, vocational education and training, preparation for an Association Agreement and agriculture and rural development (ENPARD). More than a third of all EU actual expenditure during the evaluation period was spent directly through budget support programmes<sup>5</sup>;

<sup>5</sup> Total paid through modality ‘pro forma registration (program estimates, budget support) = EUR 85.0 million, total expenditure = EUR 237.6 million; CRIS database

taking complementary support into account, 60% of all actual spending was linked to budget support programmes.

The combination of budget support with technical assistance and other forms of complementary support demonstrated the value of this form of intervention, achieving in many cases the kind of deep and system-wide change that it was intended to achieve, and which other modalities alone could not. The link between budget support programmes and policy dialogue is strong, and when combined together, are likely to achieve more than either could alone. The effectiveness of this support, however, was constrained by insufficient attention to monitoring, evaluation and learning throughout these long-term processes, as well as lack of more targeted and participatory design process. More attention is needed to understand in real time how the change processes work in practice, what factors are contributing to, or constraining, progress – such as organisational capacities and political commitment – and the impact of reforms on the final beneficiaries.

Table 1: Budget support programme areas

Budget support programme areas	No. linked phases	Total planned allocations	Total disbursed (to May 2019)
Justice reform	2	EUR 47 million	EUR 27.4 million
Support to the Government of Armenia for the implementation of the ENP Action Plan and preparations for the future Association Agreement	2	EUR 66 million	EUR 47 million
Vocational Education and Training	3	EUR 36.2 million	EUR 18.6 million
ENPARD	1	EUR 25 million	EUR 24.3 million
Public Finance PRP	1	EUR 10 million	EUR 4.7 million
Support to Human Rights	1	EUR 17 million	EUR 5.5 million

Fifteen grant schemes were published during the evaluation period, totalling nearly EUR 33 million. Only one of these schemes was evaluated as a whole, making assessment of schemes' overall impact and their contribution to development processes very challenging; the absence of consolidated learning from the results reduces the longer-term coherence of repeated rounds of grants on similar themes.

During the period under review, around two-thirds of EU financial assistance was implemented through modalities (such as delegated management with international organisations and budget support). There was therefore less space for contracts awarded under open competition criteria, despite the fact that competition sometimes favours efficiency and innovation.

**Gender.** The EU provided strong political level support for gender equality and women's empowerment. It supported the successful introduction of a new legal framework based on women's human rights, including the fight against domestic violence, and in supporting gender's dissident voices. Despite this stand-out success, the EU's support for gender equality and women's empowerment at the programmatic level has been constrained by not adequately identifying gender issues in its programming, notably for the country strategy paper 2007-2014. Without such an analysis, it was not possible to adequately design programmes incorporating gender issues into sector priorities. The EU's initiatives of the last two years (gender equality country profile, gender mainstreaming country toolkit, gender equality training) have had a positive effect on the policy development of the EU. The major challenge will be the translation of this new commitment into concrete gender equality and women's empowerment projects and gender mainstreaming in sector priorities.

**Democratic institutions, rule of law and reform of the judiciary.** At the beginning of the evaluation period, the judiciary in Armenia was experiencing significant problems such as under-staffing and corruption, prisons were overcrowded and ineffective in preventing re-offending, and elections suffered widespread mistrust. The EU funded reform contracts worth EUR 50 million, of which EUR 32 million was

paid by the end of 2018. The two-justice sector budget support programmes likely contributed to key constitutional and legal reforms that laid the groundwork for greater independence and transparency of the judiciary. The innovative role of civil society in monitoring justice sector reform strengthened CSO capacities and supported the implementation of reforms. The pace of reform slowed after 2016 to 2018, mainly because of political turmoil and the frequent change of key government personnel. The establishment of a new probation service was a major step forward but had yet to show results in terms of reduction in the prison population; and prison conditions had not significantly improved.

**Public Administration Reform (PAR) / Public Finance Management (PFM).** Public administration reform has achieved relatively little success compared to public financial management. The constraining factor has been mostly on the government side, with poorly developed strategies for PAR and no clear responsibility for implementation. Conversely, PFM has had clarity and focus, and has therefore attracted the confidence of donors. The use of sector budget support and its insistence on proper financial management as a general condition is likely a strong source of motivation for reform. Selected technical assistance projects such as the EU Advisory Group and twinning projects have not sufficiently engaged in supporting structural and organisational reforms that would support more sustainable performance improvements in policy making and policy implementation.

**Human rights and civil society.** The EU implemented a comprehensive portfolio of interventions to support both civil society and human rights. A flagship human rights budget support programme was innovative and contributed to key improvements in human rights legislation and institutional capacities. Progress was made in areas of administrative justice, criminalisation of torture<sup>6</sup>, and a draft new Criminal Procedure Code, providing important safeguards of human rights protection. The detailed elaboration of civil, political, social, and economic human rights in the Constitution is also a step forward. Nevertheless, more work is needed to ensure that basic human, political and economic rights of Armenian citizens are sufficiently protected, and to ensure that the justice sector institutions do indeed uphold these rights.

EU support for civil society during the period under review has contributed to the overall development of civil society. By engaging civil society organisations in consultations with EU and in policy dialogue with the government, their capacities have strengthened and there has been a richer dialogue. The environment for CSOs in Armenia is more conducive – the country was in 2<sup>nd</sup> place for CSO sustainability in Eurasia. The EU supported the drafting and organising consultations on the amendments to the Law on Public Organisations and promoted social entrepreneurship among civil society actors.

**Trade and economic development.** Up to 2014, EU support prioritised approximation with EU regulations and greater access to EU markets as its core strategy to support trade and economic development. When Armenia decided not to sign the Association Agreement and Deep and Comprehensive Free Trade Agreement in 2013 and joined the Eurasian Economic Union instead, the EU's strategy shifted towards investing in support for agriculture and SMEs. EU funding to Armenia in this sector jumped from EUR 5.3 million in 2010-2013 to EUR 66 million in 2014-2017, primarily driven by the ENPARD agricultural and rural development budget support programme and the Armenia SME Finance and Advice Facility (with EBRD). Although general exports improved over the evaluation period, relative exports to the EU declined in favour of new Eurasian Economic Union more accessible markets. Armenian businesses were, in general, not able to take advantage of the GSP+. The EU's shift to investment in agriculture and SMEs was closely in line with the needs of the Armenian economy and people. Most of the SME and rural/agricultural development projects began relatively recently; progress and final reports show some evidence of increased numbers of SMEs, investment and employment at the project level, but significant impact will take more time to be evident.

<sup>6</sup> Note: When it comes to the compliance to the UN Convention on Torture on 9 June 2015, the National Assembly of the Republic of Armenia adopted the draft laws on Amendments and Addenda to the Criminal Code and Criminal Procedure Code of the Republic of Armenia. Thus, as a result of the legislative amendments under the discussion, full compliance has been ensured between domestic law and international obligations and the crime of torture now fully complies with Articles 1 and 4 of the UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.



**Connectivity.** Armenia faced significant needs for investment in transport, energy and environment, but limited means. The EU's support grant support through ENPI and ENI is not a sufficient or appropriate instrument to meet these needs. The World Bank and the Asian Development Bank were the leading public international financiers of connectivity projects through loan finance. The EU's engagement with blended finance in partnership with the EIB and EBRD added value and enabled the EU's limited means to extend performance and contribution, and to realise efficiency savings in this area. Connectivity projects that were directly financed by the EU, such as the Yerevan metro and Kotayk solid waste facility, faced significant delays in implementation mainly due to lack of maturity of the relevant projects and limited administrative capacity of the beneficiaries. The EU is perceived as the leading champion in energy efficiency and environmental protection. It has succeeded in strengthening administrative capacities in transport, energy and environment.

**People to people.** Armenia faced problems of high unemployment, particularly youth and rural unemployment, and crippling labour emigration. The EU was the only major donor in secondary education and in migration, and used its strengths in both areas well, for example through the European Training Foundation and the EU's unique competencies in migration management. EU-supported actions in Vocational Education and Training (VET) achieved considerable systemic reforms and improvements in school conditions. These in turn made the VET schools more attractive and led to improved enrolment rates. The proportion of young people not in education, employment or training (NEETs) has declined slightly, but remains the highest in the region.

In migration, Armenia and the EU concluded a Visa Facilitation Agreement in 2012 and a Readmission Agreement in 2013, which supported the revision of domestic legislation relating to migrants, refugees and asylum seekers to bring it in line with international treaties. The annual number of readmissions under the readmission agreement leapt from 17 in 2012 to 1,704 in 2018<sup>7</sup>. There was a solid contribution to improved migration management funded by EU support and delivered by twinning and technical assistance projects. The more successful assistance was designed in closer reference to the real needs and competencies of national institutions. There was, however, insufficient monitoring and evaluation of relevant sector budget support programmes to support learning and performance improvement.

**Delegation staffing levels.** The issue of delegation staffing levels was raised throughout the evaluation field research. The workload in managing an extensive portfolio of around 90 active contracts a year in the period 2011-2017<sup>8</sup>, contracting new projects and programming for the future seemed heavy for the team of fifteen people in the cooperation section. Comparative analysis with other delegations in the Eastern Partnership region showed comparable staffing levels. Nevertheless, with compliance and contracting procedures being the priority, the heavy workload appeared to be a constraining factor affecting learning and the transfer of that learning to future programme development.

**Monitoring, evaluation and learning (MEL).** The instruments used for MEL served to support project implementation but were not adequate to provide an informed and regular assessment of strategy implementation, results and impact. Results Oriented Monitoring (ROM) was employed on exceptional projects only; data from the Results Reporting exercise was fragmented and served mainly to inform implementation progress, but not impact and results. There was no regular and systematic collection of data against indicators defined in National Indicative Plans (NIPs) and Single Support Frameworks (SSFs). Document management was haphazard and key documents were not always easy to find, constraining organisational continuity and learning.

### *Conclusions and lessons learned*

The year after the end of the period covered by this evaluation, 2018, saw major political changes take place in Armenia. This evaluation's conclusions are limited to the extent that they emerge from the experience of 2010-2017; nevertheless, the evaluation team has focused on identifying conclusions,

<sup>7</sup> State Migration Service, [http://www.smsmta.am/?menu\\_id=3](http://www.smsmta.am/?menu_id=3)

<sup>8</sup> Average number of contracts 2011-2017 for which there were active payments in the current year, MIS data, evaluation team calculations

lessons learned and recommendations that may be still useful for both Armenia and the European Union following the political changes in 2018-2019.

The EU's investments of over half a billion Euros in Armenia between 2010 and 2017 contributed to systemic changes and improvements across the areas defined by the four key objectives: stronger economy, stronger governance, stronger connectivity and stronger society. The effects of these systemic changes are only slowly being felt in the lives of people in Armenia. There is improved agricultural output and a better business enabling environment; unemployment remains stubbornly high and employment low. Judicial reform laid the foundations for a fairer court system, but improvements in justice are constrained by factors such as low staffing levels and overcrowded prisons. The EU's contribution to energy and infrastructure has helped to leverage more finance from IFIs; the effects of these investments will be felt in the coming years. Armenian people can travel more easily to the EU, and vocational schools are equipping a new generation of students with more relevant skills when they enter the labor market. Some key issues identified in the 2007-2013 Country Strategy Paper did not receive the level of attention that they deserved, in particular, tackling corruption and building peace, as progress in these areas was very limited.

The EU has emerged at the end of this evaluation period with clearer objectives and a coherent and powerful range of instruments to support resilience, and institutional and economic reform and development within the framework of the European Neighbourhood Policy. The system-wide approach underpinned by budget support programmes and complementary assistance is an effective way of working where there is strong political alignment and commitment. It can generate wide and deep reforms that are sustainable. For budget support to be more effective, SBS programmes need to be complemented with more investment in monitoring, evaluation and learning, particularly in relation to change mechanisms, monitoring results and outcomes, and generating a better understanding of the nature of the achievements and how to further improve effectiveness.

Events, in the form of political changes and economic shocks for example, inevitably affect both progress and outcomes. Where there was little will for reform – despite treaty commitments – in areas such as the justice sector and human rights, the EU's approach did not lead to sustainable results. Following the 2018 political changes, reforms in these areas are expected to accelerate. Other areas – such as public administration reform – were constrained by the absence of clear responsibility for design and implementation of reforms from the side of the Government. VET and employment reforms were constrained by issues in coordination between Ministry of Finance and Ministry of Education, as well as limited budget funds available for ongoing employment services. These issues may be better addressed at the design stage of budget support programmes.

Gender mainstreaming issues have started to be addressed in the Delegation; more work will be needed to ensure that the progress made will be adequately integrated into programme selection, design and implementation.

Coordination among donors has dramatically improved since 2015 although, during the evaluation period, the Government did not provide sufficient leadership on donor coordination at the top level – relying instead on efforts by individual ministries. Tensions between ministries constrained the effectiveness of budget support programmes – limiting the financial flows from Ministry of Finance to the ministry responsible for implementation.

Finally, the EU should ensure its actions are commensurate to relevant staff levels of the EU Delegation in Yerevan and in headquarters.

### *Recommendations*

**R1. Staffing and programming capacities.** The scope and scale of future programming needs to be proportional to the human resources available to adequately design, manage and support implementation. The EU should consider undertaking a further functional and workload analysis of delegations in the Neighbourhood to assess the extent to which staff numbers and capacities are adequate.

**R2. Monitoring, evaluation and learning.** The EU Delegation should consider preparing a multi-year action plan to improve monitoring, evaluation and learning. The EUD should ensure there are adequate staff resources allocated to the functions required for monitoring, evaluation and learning; develop a monitoring framework of key indicators ('balanced scorecard'), an evaluation plan, and implement mechanisms for supporting staff and stakeholder learning. It is also critical to improve document management.

**R3. Government donor coordination capacities.** The Government's capacities and engagement in donor coordination at the whole-of-government level has not been effective. The EU should consider identifying opportunities to support the Government develop stronger capacities in planning and supporting donor contributions to the national reforms and development process.

**R4. Budget support programmes.** Budget Support programmes and other large programmes need better preparation and design. The EU should identify ways in which the design process for budget support programmes (and other large interventions) can better reflect the institutional realities and constraints faced by government.

**R5. MEL for budget support programmes.** The EU should consider how to improve the evaluation and learning that emerges from large scale budget support programmes and their supporting complementary measures in order to improve performance. This could be done by engaging MEL contractors in parallel with programme design and implementation. Such a component can provide real time assistance to monitoring, evaluation and learning, ultimately strengthening programme effectiveness, impact and sustainability. MEL activities should not replace the independent compliance reviews but should complement them.

**R6. Competition and efficiency.** Apart from budget support and indirect management through UN agencies or EU MSs agencies, the EU should consider how to increase the proportion of financial assistance that is awarded following open competition. Competitive contracting has workload implications and potential for delays but would improve overall efficiency and innovation.

**R7. Efficiency of budget support programmes.** Connected to this, the EU should consider how to improve the efficiency – particularly the cost-effectiveness – of budget support programmes. Ways in which efficiency could be improved include direct competitive contracting for infrastructure components instead of including them in the overall budget support package, increasing monitoring and supervision to improve rates of transfer of funds from Ministry of Finance to responsible line ministries, and incentives to ensure adequate budget allocations for maintenance and sustainable service provision.

**R8. Gender.** Gender issues have not been adequately dealt with yet are pervasive and persistent problems in Armenia. The Delegation needs to find ways to increase the high-level commitment to tackling gender issues, and to ensure that they are tackled throughout policy dialogue and programme design/implementation.



### 1.3. Overall Executive Summary - French

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La présente évaluation vise à déterminer si et dans quelle mesure les différents projets et programmes financés par l'UE contribuent à mettre en œuvre les objectifs stratégiques de la Coopération de l'UE avec l'Arménie. Elle identifie les leçons clés destinées à documenter et à améliorer les choix actuels et à venir. L'évaluation couvre la période 2010-2017. Au cours de cette période, l'Arménie a reçu 568 millions EUR<sup>9</sup> d'aide au développement de la part des Institutions de l'UE<sup>10</sup>, notamment l'Instrument Européen de Voisinage et de Partenariat (IEVP), l'Instrument Européen de Voisinage (IEV) et la Banque européenne d'investissement (BEI).

La programmation de l'aide s'est avérée très pertinente, en s'adaptant de manière appropriée aux changements d'orientation stratégique et aux événements nationaux et régionaux. Depuis 2015, l'UE a considérablement renforcé la coordination des donateurs. L'influence géopolitique, culturelle et économique de l'UE et la gamme d'instruments et de modalités disponibles ont apporté une véritable valeur ajoutée à sa coopération avec l'Arménie. Plus de 60 % des dépenses réelles à travers la Délégation UE (sans compter la BEI) étaient liées à des programmes d'appui budgétaire généraux ou sectoriels. L'appui budgétaire sectoriel (ABS) fournit un cadre efficace pour accompagner les transformations systémiques et durables à long terme. La conception de l'ABS doit mieux refléter les réalités politiques et institutionnelles et les contraintes de capacités ; d'autre part, la surveillance, l'évaluation et l'apprentissage relatifs aux modifications systémiques peuvent être améliorés.

Des progrès ont été faits en matière de fourniture d'outils et de partage des connaissances destinés à améliorer la programmation et la mise en œuvre concernant l'intégration des questions de genre ; la prochaine étape est de mettre ces outils en pratique.

Les modifications systémiques ont été réalisées dans les domaines de l'enseignement et de la formation professionnels et du développement agricole et rural. Le secteur de la justice s'est grandement amélioré en termes de réformes législatives et institutionnelles, mais les améliorations de la performance réelle du système judiciaire et de justice criminelle ont été entravées par des ressources et une volonté politique inadéquates de la part du Gouvernement. La réforme de l'administration a été entravée par l'absence d'une autorité gouvernementale centrale pour coordonner et mettre en œuvre des réformes, alors que la gestion des finances publiques a bien avancé.

Les modifications législatives et constitutionnelles ont amélioré la situation officielle concernant les droits de l'homme, grâce notamment à un programme d'appui budgétaire de l'UE en matière de droits de l'homme. L'engagement et le soutien des organisations de la société civile ont contribué à un climat plus sain et vivant au sein de la société civile ; leur engagement en politique et en matière de dialogue a renforcé l'élaboration des politiques dans certaines régions. Un changement de stratégie relatif au développement économique et commercial a permis des améliorations à petite échelle, qui donneront peut-être de plus grands résultats dans les années à venir. De même, les investissements dans l'infrastructure de connectivité sont appropriés mais l'observation de résultats tangibles prendra du temps. L'UE a contribué à améliorer les flux transfrontaliers et la gestion des migrations.

Cette période d'évaluation a permis à l'UE d'avoir des objectifs plus clairs et une gamme d'instruments cohérents et puissants permettant d'encourager la résilience, le développement et les réformes de l'Arménie, dans le cadre de la Politique Européenne de Voisinage. Cependant, plus d'efforts doivent être déployés pour renforcer la surveillance, l'évaluation et l'apprentissage au niveau de l'appui stratégique de l'UE vis-à-vis du pays, ainsi que la mise en œuvre des projets. Les interventions de grande ampleur peuvent être améliorées grâce à des évaluations plus réalistes des facteurs politiques et économiques, ainsi qu'à des capacités d'organisation appliquées à la conception, accompagnées d'une plus grande

<sup>9</sup> <https://euaidexplorer.ec.europa.eu>

<sup>10</sup> « Institutions de l'UE » est la terminologie utilisée par le CAD de l'OCDE pour enregistrer les flux d'Aide publique au développement. Elles comprennent la Commission européenne et la Banque européenne d'investissement.

réactivité face aux événements durant la mise en œuvre. Les effectifs de la délégation doivent être proportionnels à la charge de travail.

## 1.4. Executive Summary - French

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La présente « Évaluation de la coopération de l'Union européenne avec l'Arménie, Évaluation au niveau national » vise à « déterminer si et dans quelle mesure les différents projets et programmes financés par l'UE, en vertu de l'Instrument Européen de Voisinage et de Partenariat (IEVP), de l'Instrument Européen de Voisinage (IEV) et des programmes thématiques de la période 2010-mi 2017, contribuent à mettre en œuvre les objectifs stratégiques de la Coopération de l'UE avec l'Arménie ». L'évaluation devra également « identifier les leçons clés destinées à documenter et à améliorer les choix actuels et à venir ».

L'évaluation couvre la période 2010-2017; le critère principal d'identification des actions dont tenir compte dans cette évaluation est si les actions ont encouru des dépenses pour l'UE durant cette période ; par conséquent, elle tient également compte des actions planifiées avant 2010. L'essentiel de l'enquête de l'évaluation a été conduit en 2018 et 2019. Le pays a connu d'importants changements politiques en 2018; néanmoins, la présente évaluation ne vise pas à évaluer ces changements ni leurs conséquences et se concentre sur la période finissant en 2017. Cependant, elle fait référence à des événements ultérieurs si cela est opportun et nécessaire.

L'Arménie est un pays à revenu intermédiaire de la tranche supérieure de 2,9 millions d'habitants qui a regagné son indépendance de l'Union soviétique en 1991. En 2015, des amendements constitutionnels ont transformé la structure gouvernementale, passant d'un système semi-présidentiel à un système parlementaire. L'Arménie se trouve enclavée et ne possède que deux frontières ouvertes: une frontière au nord avec la Géorgie et une frontière au sud avec l'Iran. Les frontières avec l'Azerbaïdjan et la Turquie ont été fermées depuis le début des années 90, à la suite du conflit en Haut-Karabagh.

Le pays fait partie de la Politique Européenne de Voisinage (PEV) depuis 2004. Au cours de sa participation aux processus de Voisinage, l'Arménie a reçu environ 568 millions EUR<sup>11</sup> d'aide au développement de la part des institutions de l'UE<sup>12</sup> entre 2010 et 2017, à travers, en majorité, l'Instrument Européen de Voisinage et de Partenariat (IEVP) et, plus récemment, l'Instrument Européen de Voisinage (IEV). L'UE est le principal donneur d'aide individuel du pays. Les objectifs stratégiques de l'UE vis-à-vis de l'Arménie se fondent principalement sur les quatre priorités convenues à Bruxelles en novembre 2017.

- Économie plus forte (développement économique et amélioration des débouchés commerciaux);
- Gouvernance plus forte (renforcement des institutions et de la bonne gouvernance);
- Connectivité plus forte (connectivité, énergie, environnement et changement climatique);
- Société plus forte (mobilité et contacts entre les personnes).

La présente évaluation tire ses données de trois sources clés : une révision de la documentation couvrant l'analyse sectorielle, la programmation, les données spécifiques au projet et les évaluations ; l'analyse des données clés des systèmes CRIS et MIS et de la base de données du CAD de l'OCDE en matière d'aide au développement ; et les données primaires tirées des entretiens et des discussions de groupe ciblées en Arménie en mai 2019. Les résultats ont été analysés par rapport à des modèles logiques reconstitués, fondés sur des documents de programmation de l'UE, afin de fournir une approche structurée pour examiner les données et évaluer les conséquences réelles par rapport aux résultats et impacts escomptés.

<sup>11</sup> <https://euaidexplorer.ec.europa.eu>

<sup>12</sup> « Institutions de l'UE » est la terminologie utilisée par le CAD de l'OCDE pour enregistrer les flux d'Aide publique au développement. Elles comprennent la Commission européenne et la Banque européenne d'investissement.

## Résultats clés

**Pertinence.** Dans l'ensemble, la programmation au niveau national a respecté les directives stratégiques établies par Bruxelles pour le Partenariat de Voisinage et Oriental. Quatre points d'inflexion ont affecté la période d'évaluation ; le lancement du Partenariat Oriental en 2009, la révision de la Politique Européenne de Voisinage en 2011, le lancement de l'Instrument Européen de Voisinage en 2014 qui remplace l'IEVP et augmente les financements disponibles et la deuxième révision de la Politique de Voisinage en 2015, associée aux conclusions du sommet du Partenariat Oriental à Riga, la même année. La programmation de l'UE en Arménie a largement répondu aux messages émergeant de chacun de ces événements politiques, avec un décalage temporel inévitable étant donné la nature du processus de programmation. Au niveau national, l'orientation de l'Arménie vers l'Union économique eurasiennne au détriment de l'UE en 2013 est survenue au moment où l'UE a dû réévaluer substantiellement sa stratégie vis-à-vis du pays. Après avoir temporairement cessé de prendre de nouveaux engagements en 2014 (voir tableau ci-après), le soutien de l'UE s'est éloigné du rapprochement législatif des réglementations européennes en tant qu'outil pour soutenir le développement économique et vers l'investissement dans l'économie - infrastructure, agriculture et PME.

**Cohérence, complémentarité et coordination.** Depuis 2015, la Délégation de l'UE a travaillé dur pour renforcer la coordination des donateurs. Les États membres et d'autres donateurs clés ont été impressionnés et ont apprécié cet effort ; les conséquences de cette amélioration de la coordination seront probablement ressenties à la fin de la période d'évaluation (2017). Le Gouvernement n'a pas mis en œuvre d'approche gouvernementale globale efficace dans sa participation à l'alignement et à la coordination des donateurs durant la période d'évaluation. Les ministères individuels, tels que le Ministère de l'éducation et de la science, ont organisé leurs propres réunions avec les donateurs pour améliorer l'alignement sectoriel. L'UE s'est appuyée sur le travail du Coordinateur Résident du Programme des Nations unies pour le développement afin de promouvoir les capacités de coordination du Gouvernement.

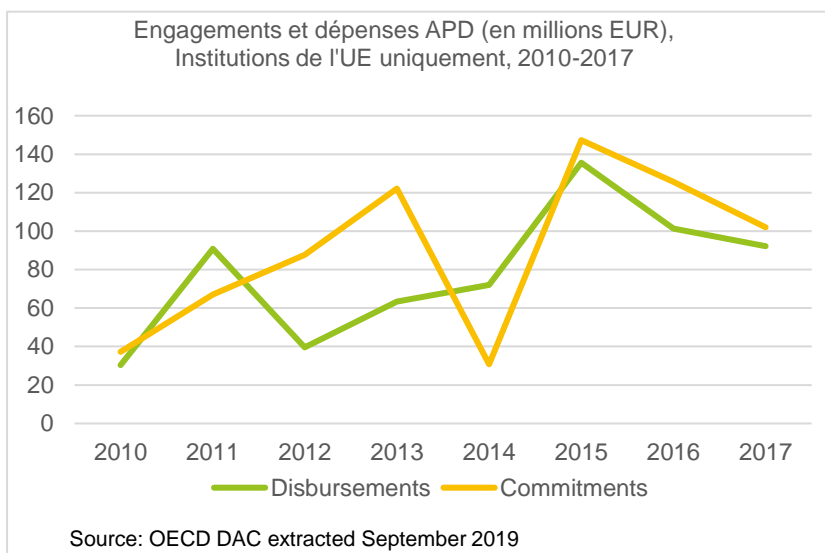


Figure 1: Engagements et dépenses APD

Les systèmes de gestion des informations de l'UE ne fournissent pas efficacement d'informations accessibles sur la mise en œuvre, les résultats et l'apprentissage des programmes ; les systèmes de surveillance ne sont pas appropriés pour le suivi de la mise en œuvre stratégique et des résultats et impacts de la coopération de l'UE.

**Valeur ajoutée de l'UE.** L'influence géopolitique, culturelle et économique de l'UE et sa gamme d'instruments apportent une véritable valeur ajoutée à sa coopération avec l'Arménie. Des liens plus étroits avec l'UE – en termes de commerce, liberté de mouvement et éducation, par exemple – ont contribué à la création de réformes en Arménie. Le fait que l'UE puisse proposer un dialogue technique significatif et documenté, dans des domaines tels que la réforme de l'enseignement professionnel et de l'administration publique, ajoute un niveau de détail et de connaissances techniques qui aident à concevoir les mécanismes et le processus par lesquels les réformes peuvent se produire. Enfin, les instruments financiers - notamment l'appui budgétaire - fournissent les moyens par lesquels les réformes peuvent être mises en pratique.

En tant que plus grand donateur individuel, l'UE occupe une place de choix pour encourager les efforts des autres donateurs et institutions financières internationales et assurer la cohérence et la coordination dans leur soutien du pays.

Le public arménien est chaque jour plus conscient du soutien de l'UE et est de plus en plus positif à son égard.

**Modalités.** Avant 2007, l'aide de l'UE à travers le TACIS suscitait la préoccupation d'être, bien que pertinente, trop fragmentée pour produire des résultats durables à long terme. L'aide à l'Arménie au cours de la période d'évaluation 2010-2017 était orientée sur plusieurs grands programmes d'appui budgétaire qui visaient à mettre en place des réformes profondes et durables. Elles concernaient des réformes de la justice, l'enseignement et la formation professionnels, la préparation à un Accord d'association et le développement agricole et rural (ENPARD). Plus d'un tiers de toutes les dépenses réelles de l'UE durant la période d'évaluation a été directement dépensé à travers les programmes d'appui budgétaire<sup>13</sup> ; en tenant compte de l'appui complémentaire, 60 % de toutes les dépenses réelles étaient liés à des programmes d'appui budgétaire.

L'association d'appui budgétaire avec l'aide technique et d'autres formes d'appui complémentaire ont démontré la valeur de ce type d'intervention, en permettant dans de nombreux cas les transformations profondes et systémiques qui étaient visées et que d'autres modalités individuelles n'auraient pas pu engendrer. Le lien entre les programmes d'appui budgétaire et le dialogue politique est fort, et une fois associés, ils sont plus efficaces que pris séparément. Cependant, l'efficacité de ce support a été entravée par une attention insuffisante en matière de surveillance, d'évaluation et d'apprentissage à travers des processus à long terme, ainsi qu'un manque de processus de conception plus ciblés et participatifs. Plus d'attention est requise pour comprendre en temps réel la façon dont les processus de transformation fonctionnent en pratique, quels facteurs contribuent ou entravent les progrès - tels que les capacités d'organisation et l'engagement politique - et l'impact des réformes sur les bénéficiaires ultimes.

Tableau 1: Domaines des programmes d'appui budgétaire

Domaines des programmes d'appui budgétaire	Nb d'étapes liées	Total des attributions planifiées	Total dépensé (jusqu'à mai 2019)
Réforme de la justice	2	47 millions EUR	27,4 millions EUR
Aide au Gouvernement arménien pour la mise en œuvre du Plan d'action du PEV et les préparations au futur Accord d'association	2	66 millions EUR	47 millions EUR
Enseignement et formation professionnels	3	36,2 millions EUR	18,6 millions EUR
ENPARD	1	25 millions EUR	24,3 millions EUR
Finances publiques PRP	1	10 millions EUR	4,7 millions EUR
Aide aux droits de l'homme	1	17 millions EUR	5,5 millions EUR

Quinze programmes de subvention ont été émis durant la période d'évaluation, pour un total de près de 33 millions EUR. Seul l'un de ces programmes a été évalué comme un tout, ce qui a compliqué l'évaluation de l'impact global des programmes et de leur contribution aux processus de développement ; l'absence d'apprentissage consolidé issu des résultats réduit la cohérence à long terme des cycles répétés de programmes sur des thématiques similaires.

Durant la période de révision, environ deux tiers de l'aide financière a été mis en œuvre à travers des modalités (telles que la gestion déléguée avec les organisations internationales et l'appui budgétaire). Il y avait donc moins de place pour les contrats attribués en vertu des critères de concurrence ouverte, en dépit du fait que la concurrence favorise parfois l'efficacité et l'innovation.

**Genre.** L'UE a apporté une aide solide au niveau politique pour l'égalité des genres et le renforcement de la position des femmes. Elle a accompagné avec succès l'ajout d'un nouveau cadre juridique basé

<sup>13</sup> Total payé à travers la modalité d'enregistrement pro forma (estimations de programme, appui budgétaire) = 85 millions EUR, total des dépenses = 237,6 millions EUR ; base de données CRIS

sur les droits des femmes, notamment la lutte contre les violences domestiques et le soutien des voix dissidentes en matière de genre. En dépit de ce grand succès, le soutien de l'UE pour l'égalité des genres et le renforcement de la position des femmes au niveau des programmes a été entravé par une identification non appropriée des problèmes de genre dans sa programmation, notamment dans le cas du document de stratégie nationale 2007-2014. Sans une telle analyse, il a été impossible de concevoir des programmes adéquats transformant les problématiques de genre en priorités sectorielles. Les initiatives de l'UE des deux dernières années (profil du pays en matière d'égalité de genre, boîte à outils du pays pour l'intégration des questions de genre, formation en matière d'égalité de genre, budgétisation sexospécifique) ont eu un effet positif sur l'élaboration des politiques de l'UE. Le plus grand défi sera de concrétiser ce nouvel engagement en projets d'égalité de genre et de renforcement de la position de la femme et d'intégrer les questions de genre aux priorités sectorielles.

**Institutions démocratiques, état de droit et réforme du système judiciaire.** Au début de la période d'évaluation, le système judiciaire en Arménie traversait de graves problèmes, tels que le sous-effectif et la corruption, les prisons étaient surpeuplées et ne parvenaient pas à empêcher les récidives et les élections souffraient d'une méfiance générale. L'UE a financé des contrats de réforme d'une valeur de 50 millions EUR, desquels 32 millions EUR ont été payés avant fin 2018. Les deux programmes d'appui budgétaire du secteur de la justice ont probablement favorisé les réformes constitutionnelles et juridiques clés qui ont posé la base d'une plus grande indépendance et transparence du système judiciaire. Le rôle innovant de la société civile dans la surveillance de la réforme du secteur de la justice a consolidé les capacités CSO et a accompagné la mise en œuvre des réformes. Le rythme de la réforme a ralenti entre 2016 et 2018, principalement en raison d'une agitation politique et du fréquent changement du personnel gouvernemental clé. L'établissement d'un nouveau service de probation a été un pas en avant fondamental, mais doit encore faire ses preuves quant à la diminution du nombre de détenus ; les conditions en prison ne se sont pas réellement améliorées.

**Réforme de l'administration publique (RAP) / gestion des finances publiques (GFP)** La réforme de l'administration publique s'est révélée peu concluante par rapport à la gestion des finances publiques. Le facteur limitatif s'est principalement manifesté du côté du gouvernement, avec des stratégies sans envergure pour la RAP et un manque de clarté dans la responsabilité de mise en œuvre. À l'inverse, la GFP a bénéficié de clarté et concentration, et a donc attiré la confiance des donateurs. L'utilisation de l'appui budgétaire sectoriel et son insistance sur une bonne gestion des finances comme condition générale constituent probablement une bonne source de motivation pour les réformes. Certains projets d'aide technique, tels que le Groupe consultatif de l'UE et les projets de jumelage, ne se sont pas suffisamment engagés dans le soutien de réformes structurelles et organisationnelles qui auraient permis d'améliorer les performances durables de l'élaboration et de la mise en œuvre des politiques.

**Droits de l'homme et société civile.** L'UE a mis en œuvre un portefeuille complet d'interventions destinées à soutenir la société civile et les droits de l'homme. Un programme phare d'appui budgétaire aux droits de l'homme a été innovant et a contribué à des améliorations clés en matière de capacités législatives et institutionnelles appliquées aux droits de l'homme. Des progrès ont été faits dans les domaines de la justice administrative, de la criminalisation de la torture<sup>14</sup> et d'un projet de nouveau Code de procédure pénale, qui comporte d'importantes mesures en termes de protection des droits de l'homme. L'élaboration détaillée des droits de l'homme civils, politiques, sociaux et économiques dans la Constitution est aussi un pas en avant. Néanmoins, il convient de s'efforcer davantage pour garantir que les droits de l'homme, politiques et économiques des citoyens arméniens soient suffisamment protégés, et pour s'assurer que les institutions du secteur de la justice font réellement respecter ces droits.

<sup>14</sup> Note : Quant au respect de la Convention de l'ONU contre la Torture le 9 juin 2015, l'Assemblée nationale de la République d'Arménie a adopté les projets de lois sur les Amendements et les Ajouts au Code pénal et au Code de procédure pénale sur la République d'Arménie. Par conséquent, à la suite des amendements législatifs en discussion, une pleine conformité a été garantie entre la législation nationale et les obligations internationales et le crime de torture est désormais pleinement conforme aux Articles 1 et 4 de la Convention de l'ONU contre la Torture et d'autres traitements ou punitions cruels, inhumains ou dégradants.



Le soutien de l'UE à l'égard de la société civile durant la période de révision a contribué au développement global de la société civile. En encourageant les organisations de la société civile à s'entretenir avec l'UE et à engager un dialogue politique avec le gouvernement, leurs capacités ont été consolidées et le dialogue est devenu plus riche. L'environnement est devenu plus propice pour les CSO en Arménie - le pays s'est trouvé en deuxième position en termes de durabilité CSO en Eurasie. L'UE a encouragé l'élaboration et l'organisation de consultations relatives aux amendements à la Loi relative aux Organisations publiques et a promu l'entrepreneuriat social parmi les acteurs de la société civile.

**Développement commercial et économique.** Jusqu'en 2014, le soutien de l'UE a donné la priorité à la conformité aux réglementations de l'UE et à un meilleur accès aux marchés de l'UE en tant que stratégie clé, afin d'encourager le développement commercial et économique. Lorsque l'Arménie a décidé de ne pas signer l'Accord d'Association et l'Accord de libre-échange complet et approfondi en 2013 et qu'elle a choisi de rejoindre l'Union économique eurasiennne, l'UE a adopté une stratégie de soutien de l'agriculture et des PME. Le financement européen de l'Arménie dans ce secteur est passé de 5,3 millions EUR en 2010-2013 à 66 millions EUR en 2014-2017, principalement destinés au programme d'appui budgétaire du développement agricole et rural ENPARD et à l'Instrument financier et consultatif des PME arménien (avec EBRD). Bien que les exportations générales aient augmenté durant la période d'évaluation, les exportations relatives vers l'UE ont diminué au profit des nouveaux marchés de l'Union économique eurasiennne, plus accessibles. De manière générale, les commerces arméniens n'ont pas été en mesure de tirer profit du GSP+. La transition de l'investissement européen dans l'agriculture et les PME a suivi de près les besoins de l'économie et du peuple arméniens. *La plupart des projets de développement des PME et rural/agricole ont commencé il y a peu ; les rapports d'avancement et finaux indiquent un nombre accru de PME, d'investissements et d'emplois au niveau des projets, mais les conséquences concrètes apparaîtront plus tard.*

**Connectivité.** L'Arménie a fait face à des besoins importants en matière d'investissements dans les transports, l'énergie et l'environnement, mais dispose de moyens limités. Les subventions de l'UE à travers l'IEVP et l'IEV ne sont pas un instrument suffisant ou approprié pour satisfaire ces besoins. La Banque mondiale et la Banque asiatique de développement ont été les commanditaires internationaux publics principaux en matière de projets relatifs à la connectivité à travers les prêts de financement. L'engagement de l'UE avec financement conjoint en partenariat avec la BEI et l'EBRD a ajouté de la valeur et a permis aux moyens limités de l'UE d'étendre sa performance et sa contribution, et de réaliser des gains d'efficacité dans ce domaine. Les projets de connectivité directement financés par l'UE, tels que le métro d'Erevan et l'installation de traitement des déchets solides de Kotayk, ont connu d'importants retards de mise en œuvre, en raison d'un manque de maturité des projets concernés et des capacités administratives limitées des bénéficiaires. L'UE est considérée numéro un en efficacité énergétique et en protection de l'environnement. Elle est parvenue à renforcer les capacités administratives en matière de transport, énergie et environnement.

**Relations interpersonnelles.** L'Arménie a traversé une phase de lourd chômage, en particulier chez les jeunes et en campagne, et une émigration paralysante de sa main d'œuvre. L'UE était l'unique donateur conséquent en matière d'éducation secondaire et de migration et a utilisé ses forces dans les deux domaines, à travers, par exemple, la Fondation européenne pour la formation et les compétences uniques de l'UE en matière de gestion de la migration. Les actions encouragées par l'UE en matière d'enseignement et de formation professionnels (EFP) ont permis de mettre en œuvre des réformes systémiques importantes et d'améliorer les conditions scolaires. Les écoles EFP sont ainsi devenues plus attractives et les taux d'inscription ont augmenté. La proportion de jeunes ni étudiants, ni employés, ni stagiaires (NEET en anglais) a légèrement diminué, mais reste la plus élevée de la région.

L'Arménie et l'UE ont conclu un Accord visant à faciliter la délivrance de visas en 2012 et un Accord de réadmission en 2013, qui a permis la révision de la législation nationale relative aux migrants, réfugiés et demandeurs d'asile, afin de l'aligner sur les traités internationaux. Le nombre annuel de réadmissions en vertu de l'accord de réadmission est passé de 17 en 2012 à 1704 en 2018<sup>15</sup>. L'UE a considérablement

<sup>15</sup> Service national de migration, [http://www.smsmta.am/?menu\\_id=3](http://www.smsmta.am/?menu_id=3)

contribué à l'amélioration de la gestion de la migration, grâce à son financement et à ses projets jumelés et d'aide technique. L'aide la plus fructueuse a été conçue en faisant étroitement référence aux besoins et compétences réels des institutions nationales. Cependant, la surveillance et l'évaluation des programmes d'appui budgétaire sectoriels concernés n'ont pas été suffisantes pour permettre l'amélioration de l'apprentissage et des performances.

**Effectifs de la délégation.** Le problème des effectifs de la délégation a été soulevé au cours de l'enquête de terrain relative à l'évaluation. La charge de travail relative à la gestion d'un large portefeuille d'environ 90 contrats actifs par an durant 2011-2017<sup>16</sup>, l'adjudication de nouveaux projets et la programmation de l'avenir se sont avérées trop lourdes pour l'équipe de quinze personnes de la section de coopération. L'analyse comparative avec d'autres délégations dans la région du Partenariat Oriental a indiqué des effectifs similaires. Néanmoins, les procédures de conformité et de conclusion de marché étant la priorité, la lourde charge de travail s'est avérée être un facteur limitant affectant l'apprentissage et le transfert de cet apprentissage à l'élaboration de programmes futurs.

**Surveillance, évaluation et apprentissage (SEA).** Les instruments utilisés pour SEA ont permis la mise en œuvre de projets mais n'étaient pas appropriés pour fournir une évaluation documentée et régulière relative à la mise en œuvre, aux résultats et à l'impact de la stratégie. Le Suivi axé sur les résultats (ROM en anglais) a été employé sur les projets exceptionnels uniquement ; les données issues de l'exercice de Communication des résultats ont été fragmentées et ont principalement servi à documenter l'avancement de la mise en œuvre, mais pas les impacts ni les résultats. Il n'y a pas eu de recueil régulier et systématique de données par rapport aux indicateurs définis dans les Plans indicatifs nationaux (NIP en anglais) et les Cadres d'appui unique (SSF en anglais). La gestion des documents était désordonnée et les documents importants n'étaient pas toujours faciles à trouver, entravant la continuité et l'apprentissage organisationnels.

### *Conclusions et leçons apprises*

L'année suivant la fin de la période couverte par cette évaluation, 2018, a vu se produire d'importantes modifications politiques en Arménie. Les conclusions de cette évaluation ne concernent que les conséquences de l'expérience de 2010-2017 ; néanmoins, l'équipe d'évaluation s'est efforcée d'identifier les conclusions, leçons apprises et recommandations pouvant être utiles à l'Arménie et à l'Union européenne à la suite des changements politiques en 2018-2019.

Les investissements de l'UE de plus d'un demi-milliard d'euros en Arménie entre 2010 et 2017 ont permis des transformations et améliorations systémiques dans les domaines définis par les quatre objectifs clés : une économie plus forte, une gouvernance plus forte, une connectivité plus forte, une société plus forte. Les effets de ces modifications systémiques commencent à être lentement ressentis dans la vie des Arméniens. La production agricole s'est améliorée et l'environnement est plus propice d'un point de vue économique ; le chômage reste obstinément élevé et le taux d'activité bas. La réforme du système judiciaire a posé les bases d'un système plus juste, mais les améliorations de la justice sont entravées par des facteurs tels que le sous-effectif et les prisons surpeuplées. La contribution de l'UE en termes d'énergie et d'infrastructure a permis de lever plus de fonds des IFI ; les effets de ces investissements seront ressentis ces prochaines années. Le peuple arménien peut voyager plus facilement en UE, et les écoles professionnelles forment une nouvelle génération d'étudiants avec des compétences plus appropriées lorsqu'ils arrivent sur le marché du travail. Certaines problématiques clés identifiées dans le Document de stratégie nationale 2007-2013 n'ont pas été traitées comme il se doit, notamment la lutte contre la corruption et la construction de la paix, étant donné que ces domaines ont très peu progressé.

Cette période d'évaluation a permis à l'UE d'avoir des objectifs plus clairs et une gamme d'instruments cohérents et puissants permettant d'encourager la résilience ainsi que le développement et les réformes institutionnels et économiques, dans le cadre de la Politique Européenne de Voisinage. L'approche systémique, étayée par les programmes d'appui budgétaire et l'aide complémentaire, est une manière

<sup>16</sup> Nombre moyen de contrats 2011-2017, pour lesquels des paiements actifs ont eu lieu cette année, données MIS, calculs de l'équipe d'évaluation

efficace de travailler, à condition que la sphère politique suive et s'engage fortement. Elle peut générer des réformes larges, profondes et durables. Pour que l'appui budgétaire s'avère plus efficace, les programmes d'ABS doivent être complétés par un investissement supérieur en surveillance, évaluation et apprentissage, notamment en ce qui concerne les mécanismes de transformation, la surveillance des résultats et conséquences ainsi que l'établissement d'une meilleure compréhension de la nature des progrès et de la façon dont améliorer l'efficacité.

Les événements, qu'ils concernent les modifications politiques ou les chocs économiques, par exemple, affectent inévitablement les progrès et résultats. Lorsque la volonté de réformer était faible, en dépit des engagements dans des traités, dans des domaines tels que le secteur de la justice et les droits de l'homme, l'approche de l'UE n'a pas conduit à des résultats durables. Après les transformations politiques de 2018, il est attendu que les réformes dans ces domaines soient accélérées. D'autres domaines, tels que la réforme de l'administration publique, ont été limités par l'absence d'une responsabilité claire en matière de conception et mise en œuvre des réformes de la part du Gouvernement. Les réformes en matière d'EFP et d'emploi ont été entravées par des problèmes de coordination entre le Ministère des finances et le Ministère de l'éducation, ainsi que des fonds budgétaires limités à disposition des services d'emploi en cours. Ces problèmes peuvent être mieux affrontés au stade de conception des programmes d'appui budgétaire.

L'intégration des questions de genre a commencé à être traitée au sein de la Délégation ; plus d'efforts devront être investis pour s'assurer que les progrès seront correctement intégrés au cours de la sélection, conception et mise en œuvre des programmes.

La coordination des donateurs s'est considérablement améliorée depuis 2015 bien que, durant la période d'évaluation, le Gouvernement n'a pas fait preuve de suffisamment de leadership en matière de coordination des donateurs au niveau supérieur, se reposant sur les efforts des ministères individuels. Des tensions entre les ministères ont entravé l'efficacité des programmes d'appui budgétaire, ce qui a limité les flux financiers depuis le Ministère des finances vers le ministère responsable de la mise en œuvre.

Enfin, l'UE devrait s'assurer que ses actions sont proportionnelles aux effectifs concernés de la Délégation de l'UE à Erevan et aux sièges.

### *Recommandations*

**R1. Effectifs et capacités de programmation.** La portée et l'échelle des besoins futurs en programmation doivent être proportionnelles aux ressources humaines disponibles pour concevoir, gérer et accompagner la mise en œuvre de manière adéquate. L'UE devrait envisager d'entreprendre une analyse plus fonctionnelle de la charge de travail des délégations distribuées dans le Voisinage, afin d'évaluer la pertinence des effectifs et des capacités du personnel.

**R2. Surveillance, évaluation et apprentissage.** La Délégation de l'UE devrait envisager de préparer un plan d'action sur plusieurs années pour améliorer la surveillance, l'évaluation et l'apprentissage. La DUE devrait s'assurer que le personnel assigné à des fonctions de surveillance, évaluation et apprentissage soit adéquat ; développer un cadre de surveillance des indicateurs clés (« tableau de bord prospectif »), un plan d'évaluation et mettre en œuvre des mécanismes pour soutenir le personnel et l'apprentissage des parties prenantes. Il convient également d'améliorer la gestion des documents.

**R3. Capacités du Gouvernement en matière de coordination des donateurs.** Les capacités et l'engagement du Gouvernement en matière de coordination des donateurs au niveau global n'ont pas été efficaces. L'UE devrait envisager d'identifier les opportunités d'aider le Gouvernement à développer de meilleures capacités de planification et de soutien aux contributions des donateurs au profit des réformes nationales et du processus de développement.

**R4. Programmes d'appui budgétaire.** Les programmes d'appui budgétaire et d'autres programmes importants doivent être mieux préparés et conçus. L'UE devrait trouver la manière de mieux refléter les



réalités des institutions, les politiques sectorielles et les contraintes auxquelles le gouvernement fait face au stade de conception des programmes d'appui budgétaire (et d'autres interventions importantes).

**R5. SEA appliqués aux programmes d'appui budgétaire.** L'UE devrait réfléchir à la manière d'améliorer l'évaluation et l'apprentissage qui émergent des programmes d'appui budgétaire d'envergure et les mesures complémentaires de soutien, afin d'améliorer les performances. Cela pourrait être réalisé en engageant des contractuels SEA au cours de la conception et mise en œuvre du programme. Un tel choix peut fournir une aide en temps réel en matière de surveillance, évaluation et apprentissage, ce qui renforcera l'efficacité, l'impact et la durabilité du programme. Les activités de SEA ne devraient pas remplacer les révisions de conformité indépendantes mais devraient les compléter.

**R6 Concurrence et efficacité.** En dehors de l'appui budgétaire et de la gestion indirecte à travers des agences de l'ONU ou des agences des EM de l'UE, l'UE devrait se demander comment augmenter la proportion d'aide financière attribuée sur la base de la concurrence ouverte. Les marchés concurrentiels impliquent une lourde charge de travail et des retards potentiels, mais ils pourraient améliorer l'efficacité et l'innovation globales.

**R7 Efficacité des programmes d'appui budgétaire.** Dans ce domaine, l'UE devrait se demander comment améliorer l'efficacité, notamment la rentabilité, des programmes d'appui budgétaire. Il existe plusieurs manières d'améliorer l'efficacité : les marchés concurrentiels directs pour les éléments d'infrastructure, plutôt que de les ajouter au paquet global d'appui budgétaire, afin d'augmenter la surveillance et la supervision destinées à améliorer les taux de transfert de fonds du Ministère des finances aux ministères responsables, et des mesures d'incitation destinées à garantir des attributions de budget adéquates pour la maintenance et la prestation de services durables.

**R8 Genre.** Les problématiques de genre n'ont pas été correctement traitées et restent répandues et persistantes en Arménie. La Délégation doit trouver des façons d'augmenter l'engagement à haut niveau pour affronter les questions de genre et de garantir qu'elles sont traitées par le biais du dialogue politique et de la conception/mise en œuvre des programmes.

## 1.5. Overall Executive Summary - Armenian

Սույն գնահատման նպատակն է որոշել, թե որքանով են ԵՄ-ի կողմից ֆինանսավորվող տարբեր ծրագրեր և նախագծեր նպաստում Հայաստանի հետ ԵՄ համագործակցության ռազմավարական նպատակների իրականացմանը: Այն բացահայտում է հիմնական դասերը՝ տեղեկացնելու և բարելավելու ընթացիկ և ապագա ընտրության գործընթացները: Սույն գնահատումն ընդգրկում է 2010-2017 թվականները: Այս ժամանակահատվածում, համագործակցության շրջանակներում, Հայաստանին տրամադրվել է 568 մլն., եվրո<sup>17</sup> օժանդակություն ԵՄ հաստատությունների<sup>18</sup>, այդ թվում՝ Եվրոպական հարևանության և գործընկերության գործիքի (ԵՀԳԳ), Եվրոպական հարևանության գործիքի (ԵՀԳ) և Եվրոպական ներդրումային բանկի (ԵՆԲ) կողմից:

Օժանդակության ուղղված բյուջեի ծրագրումը հիմնականում համապատասխանում և պատշաճ կերպով արձագանքում էր ռազմավարական ուղղության փոփոխություններին և ազգային ու տարածաշրջանային իրադարձություններին: 2015 թվականից ԵՄ-ն Էականորեն ամրապնդել է դոկտրինների համակարգումը: ԵՄ պատվիրակության միջոցով փաստացի ծախսերի ավելի քան 60%-ը (բացառությամբ ԵՆԲ) կապված էր ընդհանուր կամ ոլորտային բյուջետային աջակցության ծրագրերի հետ: Ոլորտային բյուջետային աջակցությունն (ՈԲԱ) ապահովում է համակարգային և կայուն երկարաժամկետ փոփոխությունների աջակցության արդյունավետ շրջանակ: ՈԲԱ նախագիծը պետք է ավելի լավ արտացոլի քաղաքական և ինստիտուցիոնալ իրողությունները և կարողությունների սահմանափակումները և համակարգի ամբողջական փոփոխություններին վերաբերող մոնիթորինգը, գնահատումը և ընդհանուր համակարգային փոփոխությունների հետ կապված ուսուցումը, որոնք կարող են բարելավվել:

Առաջընթաց է արձանագրվել բարելավված ծրագրավորման և գործիքների և գիտելիքների տրամադրման հարցում գենդերային հիմնախնդիրների ներառման ուղղությամբ: Հաջորդ քայլը գործնականում այս գործիքների կիրառումն է:

Համակարգային փոփոխություններ են իրականացվել մասնագիտական կրթության և վերապատրաստման, գյուղատնտեսության և գյուղական զարգացման ոլորտներում: Արդարադատության ոլորտը մեծապես բարելավվել է օրենսդրության և ինստիտուցիոնալ բարեփոխումների առումով, բայց դատական և քրեական արդարադատության համակարգի բուն կատարողականության բարելավումը կաշկանդվել է կառավարության կողմից անբավարար ռեսուրսներով և քաղաքական կամքով: Պետական կառավարման ոլորտի բարեփոխումները սահմանափակված էին կենտրոնական իշխանության բացակայության հետևանքով՝ համակարգելու և իրականացնելու բարեփոխումները, մինչդեռ պետական ֆինանսների կառավարումը լավ առաջընթաց էր ապրում:

Օրենսդրական և սահմանադրական փոփոխությունները բարելավեցին մարդու իրավունքների պաշտպանության հետ կապված պաշտոնական իրավիճակը, որն իրականացվում է ԵՄ մարդու իրավունքների բյուջետային աջակցության նորարար ծրագրի միջոցով: Քաղաքացիական հասարակության կազմակերպությունների ներգրավվածությունը և աջակցությունը նպաստել են ավելի առողջ և ակտիվ քաղաքացիական հասարակության ձևավորմանը, նրանց ներգրավվածությունը քաղաքականության և երկխոսության մեջ նպաստել է որոշ ոլորտներում քաղաքականության կայացմանը:

Առևտրի և տնտեսական զարգացման հետ կապված ռազմավարության փոփոխությունը նպաստեց փոքրածավալ բարելավումների, որոնք կարող են ավելի մեծ արդյունքներ ունենալ առաջիկա տարիներին: Նմանապես, կապի ենթակառուցվածքում ներդրումները տեղին են, բայց շոշափելի արդյունքներ տեսնելու համար ժամանակ կպահանջվի: ԵՄ-ն նպաստել է միջպետական հոսքերի բարելավմանը և միգրացիայի ավելի լավ կառավարմանը:

<sup>17</sup> <https://euaidexplorer.ec.europa.eu>

<sup>18</sup> ԵՄ հաստատություններ՝ տերմինաբանությունն է, որն օգտագործվում է OECD DAC- ի կողմից՝ պաշտոնական զարգացման օժանդակության հոսքերը գրանցելու համար: Ներառված են ինչպես Եվրահանձնաժողովը, այնպես էլ Եվրոպական ներդրումային բանկը:

ԵՄ-ն սույն գնահատման ժամանակաշրջանի ավարտին ի հայտ եկավ ավելի հստակ նպատակներով և գործիքների համապարփակ և հզոր շարքով՝ Եվրոպական հարևանության քաղաքականության շրջանակներում Հայաստանի կայունությանը, զարգացմանը և բարեփոխումներին աջակցելու համար: Այնուամենայնիվ, անհրաժեշտ է ավելի շատ աշխատանք իրականացնել՝ ԵՄ-ի կողմից երկրին ռազմավարական աջակցություն ցուցաբերելու մակարդակով՝ մոնիթորինգի, գնահատման և ուսուցման ամրապնդման համար: Ավելի մեծ միջամտությունները կարող են բարելավվել նախագծման փուլում՝ քաղաքական տնտեսության գործոնների և կազմակերպչական կարողությունների առավել իրատեսական գնահատականներով, ինչպես նաև իրականացման փուլում իրադարձություններին ավելի արագ արձագանքելով: Պատվիրակության կազմում կադրերի մակարդակը պետք է համահունչ լինի աշխատանքային ծանրաբեռնվածության հետ:

## 1.6. Executive Summary - Armenian

«Հայաստանի հետ Եվրոպական միության համագործակցության գնահատում, երկրի մակարդակի գնահատում» թեմայով սույն Հաշվետվությունը նպատակ ունի «գնահատել, թե որքանով են ԵՄ կողմից ֆինանսավորվող տարբեր ծրագրերը՝ Եվրոպական հարևանության և գործընկերության գործիքի (ԵՀԳԳ), Եվրոպական հարևանության գործիքի (ԵՀԳ) և ԵՄ թեմատիկ ծրագրերի շրջանակներում 2010թ-ից մինչև 2017թ-ի կեսերն ընկած ժամանակահատվածում նպաստում Հայաստանի հետ ԵՄ համագործակցության ռազմավարական նպատակների իրականացմանը: Գնահատումը պետք է նաև «սահմանի հիմնական դասերը՝ ընթացիկ տարբերակները բարելավելու և հետագա քայլերը հայտնելու համար:

Գնահատման միջոցով նախատեսված ժամկետը 2010–2017 թվականն է: Սույն գնահատման ընթացքում քննարկման ենթակա գործողությունները սահմանելու հիմնական չափանիշն այն է, թե արդյոք այդ գործողությունները կրել են ԵՄ ծախսերը տվյալ ժամանակահատվածի ընթացքում: Հետևաբար, այն ներառում է նաև այն գործողությունների դիտարկումը, որոնք պլանավորվել են մինչև 2010 թվականը: Գնահատման նպատակով ուսումնասիրությունների հիմնական մասն իրականացվել է 2018 և 2019 թվականներին: 2018 թ-ին երկրում զգալի փոփոխություններ են տեղի ունեցել: Այնուամենայնիվ, սույն գնահատումը նպատակ չունի գնահատել այդ փոփոխությունները կամ դրանց հետևանքները՝ իր ուշադրության կենտրոնում պահելով 2017թ-ի ժամանակահատվածը: Այն, այնուամենայնիվ, հղում է կատարում հաջորդ իրադարձություններին, որտեղ այն նպատակահարմար է և անհրաժեշտ:

Հայաստանը միջինից բարձր եկամուտ ունեցող երկիր է՝ 2,9 միլիոն բնակչությամբ, որը 1991թ-ին վերականգնել է իր անկախությունը Խորհրդային Միությունից: 2015թ-ի սահմանադրական փոփոխությունների հետևանքով՝ կառավարման կառուցվածքը նախագահականից փոխվեց պառլամենտական համակարգի: Հայաստանը ցամաքով շրջապատված երկիր է և ունի միայն երկու բաց սահման՝ հյուսիսային սահման Վրաստանի հետ և հարավային սահման Իրանի հետ: Ադրբեջանի և Թուրքիայի հետ սահմանները փակվել են 90-ականների սկզբից՝ Լեռնային Ղարաբաղի հակամարտության արդյունքում:

2004 թվականից երկիրը հանդիսանում է Եվրոպական հարևանության քաղաքականության (ԵՀՔ) մաս:

Բացի այդ, մասնակցելով հարևանության գործընթացներին, 2010-ից 2017 թվականներին Հայաստանը ԵՄ հաստատությունների<sup>19</sup> կողմից որպես համագործակցության աջակցություն ստացել է 568 միլիոն եվրո<sup>20</sup>, որը հիմնականում, բայց ոչ ամբողջությամբ իրականացվել է Եվրոպական հարևանության և գործընկերության գործիքի (ԵՀԳԳ) կողմից և վերջին տարիներին՝ Եվրոպական հարևանության գործիքի (ԵՀԳ) կողմից: ԵՄ-ն օգնություն տրամադրող միակ խոշոր դոնոր կազմակերպությունն է երկրում:

<sup>19</sup> <https://euaidexplorer.ec.europa.eu>

<sup>20</sup> ԵՄ հաստատություններ՝ տերմինաբանությունն է, որն օգտագործվում է OECD DAC- ի կողմից՝ պաշտոնական զարգացման օժանդակության հոսքերը գրանցելու համար: Ներառված են ինչպես Եվրահանձնաժողովը, այնպես էլ Եվրոպական Ներդրումային Բանկը:

ԵՄ-ի ռազմավարական նպատակները Հայաստանի նկատմամբ ավելի բացահայտ արտացոլված են 2017թ-ի նոյեմբերին Բոյոսետլում համաձայնեցված չորս առաջնահերթություններով՝

- Ավելի ուժեղ Էկոնոմիկա (տնտեսական զարգացում և շուկայի հնարավորություններ)
- Ավելի ուժեղ կառավարում (հաստատությունների ամրապնդում և լավ կառավարում)
- Ավելի ուժեղ կապ (կապ, Էներգաարդյունավետություն, շրջակա միջավայր և կլիմայական փոփոխություններ)
- Ավելի ուժեղ հասարակություն (շարժունակություն և շփում տարբեր երկրների առանձին մարդկանց միջև):

Սույն գնահատումն իրականացված է՝ հիմնվելով երեք հիմնական աղբյուրների վրա՝ փաստաթղթերի վերլուծություն, որն ապահովում է ոլորտային վերլուծություն, ծրագրերի կազմում, ծրագրի վերաբերյալ հատուկ տվյալներ և գնահատումներ, հիմնական տվյալների վերլուծություն ԵՄ Արտաքին կապերի ընդհանուր տեղեկատվական համակարգից և Տեղեկատվության կառավարման համակարգից (ՏԿՀ), ինչպես նաև Չարգացման պաշտոնական աջակցության (Չարգացող երկրների տնտեսական համագործակցության և զարգացման աջակցության կազմակերպություն) տվյալների բազայից, իսկ առաջնային տվյալները հավաքվել են Հայաստանում 2019 թվականի մայիսին անցկացված հարցազրույցներից և ֆոկուս-խմբերի քննարկումներից: Արդյունքները գնահատվել են տրամաբանական մոդելների վերաձևավորված համակարգի հիման վրա, որոնք հիմնված են ԵՄ ծրագրերի փաստաթղթերի վրա, տրամադրելու կառուցվածքային մոտեցում՝ տվյալների ուսումնասիրման և իրական արդյունքների գնահատման վերաբերյալ՝ ակնկալվող արդյունքների և ազդեցությունների դեմ: Արդյունքները գնահատվել են վերափոխված տրամաբանական մոդելներից բխած ԵՄ ծրագրային փաստաթղթերի հիման վրա՝ տվյալների ուսումնասիրման կառուցվածքային մոտեցումը ապահովելու և ակնկալվող ցուցանիշների և ազդեցությունների իրական արդյունքները գնահատելու համար:

### *Ուսումնասիրության հիմնական արդյունքները*

**Համապատասխանություն.** Երկրի մակարդակով ծրագրի իրականացումն ընդհանուր առմամբ համապատասխանում է Բոյոսետլի կողմից՝ Հարևանության և արևելյան գործընկերության համար սահմանված ռազմավարական ուղղություններին: Գնահատման ժամանակահատվածի վրա ազդել են չորս ինֆլեքսիոն կետեր՝ 2009 թվականին Արևելյան գործընկերություն (ԱԷԳ) ծրագրի մեկնարկը, 2011 թվականին Եվրոպական հարևանության քաղաքականության վերանայումը, Եվրոպական հարևանության գործիք ծրագրի մեկնարկը՝ փոխարինելով ԵՀԳԳ (Եվրոպական հարևանության և գործընկերության գործիք) ծրագրին և ավելացնելով առկա ֆինանսավորումը, ինչպես նաև 2015 թվականին՝ Հարևանության քաղաքականության երկրորդ վերանայումը՝ նույն տարում անցկացվելիք ԱԷԳ Ռիգայի գագաթնաժողովի արդյունքների հետ համատեղ:

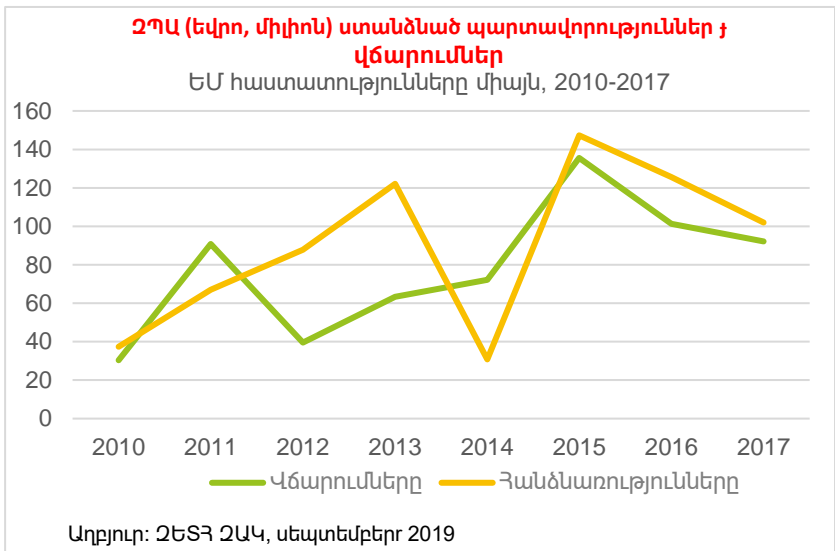
ԵՄ ծրագրի իրականացումը Հայաստանում հիմնականում այս քաղաքական իրադարձություններից բխող յուրաքանչյուր ազդակի արձագանքն էր ժամանակային ընդհատումներով, որն անխուսափելի էր՝ հաշվի առնելով ծրագրավորման գործընթացի բնույթը: Երկրի մակարդակով, 2013 թվականին Հայաստանի ռազմավարության կտրուկ փոփոխությունը, ԵՄ-ից դեպի Եվրասիական տնտեսական միություն, այն պահին էր, երբ ԵՄ-ն ստիպված էր հիմնարար կերպով վերանայել իր ռազմավարությունը երկրի նկատմամբ: 2014թ-ին ստանձնած նոր պարտավորությունների դադարից հետո (տե՛ս ստորև նկարը), ԵՄ աջակցությունը հետ քաշվեց ԵՄ կանոնների օրենսդրական մոտեցումներից, որպես տնտեսության զարգացման և տնտեսությունում ենթակառուցվածքներում, գյուղատնտեսության մեջ և ՓՄՁ-ներում (փոքր և միջին ձեռնարկություններ) ներդրումների աջակցության գործիք:

**Փոխկապակցվածություն, փոխլրացում, կորրեկցիաներ**

2015թ-ին, ԵՄ պատվիրակությունը քրտնաջան աշխատել է դոկորների գործունեության համակարգման ամրապնդման համար: Անդամ պետությունները և մյուս խոշոր դոկորները տպավորված էին և բավարարված այս ջանքերից: Այս բարելավված համակարգման արդյունավետությունը, ամենայն հավանականությամբ, կզգացվի գնահատման ժամանակաշրջանի ավարտից հետո (2017 թ.):

Գնահատման ժամանակահատվածում դոկորների հավասարեցմանն ու դոկորների համակարգմանն աջակցելու հարցում կառավարության կողմից ոչ մի արդյունավետ մոտեցում չի եղել: Ոլորտային համադրումն բարելավելու նպատակով առանձին նախարարություններ, ինչպիսիք են՝ Կրթության և գիտության նախարարությունը, կազմակերպել են իրենց դոկորների հանդիպումները: Կառավարության համակարգման պոտենցիալն ամրապնդելու համար ԵՄ-ն ապավինում էր ՄԱԶԾ/ՄԱԿ-ի ռեզիդենտ կորրեկցիատորի աշխատանքները:

ԵՄ տեղեկատվության կառավարման համակարգերը արդյունավետ չեն ծրագրի իրականացման, արդյունքների և ուսուցման վերաբերյալ մատչելի տեղեկատվության տրամադրման հարցում, ինչպես նաև՝ մոնիթորինգի համակարգերը հարմար չեն ռազմավարության իրականացման գործընթացին և ԵՄ համագործակցության արդյունքներին և ազդեցությանը հետևելու համար:



Գծապատկեր 2: Չարգացման Պաշտոնական Աջակցության Հանձնառությունները և Վճարումները

**ԵՄ առանձնահատուկ դերը (ավելացված արժեքը).** ԵՄ աշխարհաքաղաքական, մշակութային և տնտեսական ազդեցությունը և դրա գործիքների շարքը առանձնահատուկ դեր ունեն Հայաստանի հետ նրա համագործակցության մեջ: Օրինակ՝ ԵՄ-ի հետ ավելի սերտ կապերի համար, օրինակ՝ ազատ տեղաշարժման, առևտրային և կրթության ոլորտներում, խթան են հանդիսացել Հայաստանում իրականացված խրախուսող բարեփոխումները: Բովանդակայից և տեղեկացված տեխնիկական երկխոսությունն առաջարկելու ԵՄ-ի ունակությունն այնպիսի ոլորտներում, ինչպիսիք են՝ մասնագիտական կրթությունը և պետական կառավարման ոլորտի բարեփոխումները, ավելացնում են խնդիրների մանրակրկիտ ուսումնասիրման և տեխնիկական գիտելիքների մակարդակը, որոնք օգնում են մշակել այնպիսի մեխանիզմներ և գործընթացներ, որոնց միջոցով կարող են իրականացվել բարեփոխումներ: Վերջապես, ֆինանսական գործիքները, մասնավորապես բյուջեի օժանդակությունը, ապահովում են այն միջոցները, որոնց միջոցով հնարավոր է այդ բարեփոխումները գործնականորեն իրականացնել:

Որպես միակ խոշոր դոկոր՝ ԵՄ-ն բացառիկ հնարավորություն ունի համախմբելու այլ դոկորների և միջազգային ֆինանսական հաստատությունների ջանքերը և ապահովելու համախմբվածություն և համակարգում՝ երկրին աջակցելու գործում:

Հայ հասարակությունը գնալով ավելի է գիտակցում ԵՄ աջակցությունը և գնալով ավելի դրական է վերաբերվում ԵՄ-ին:

**Ռեժիմներ (Գործիքներ).** Մինչև 2007 թվականը մտավախություն կար, որ ԱՊՀՏԱ-ի (Անկախ պետությունների համագործակցության տեխնիկական աջակցություն) միջոցով ԵՄ օգնությունը, լինելով համապատասխան՝ չափազանց մասնատված էր երկարաժամկետ կայուն արդյունքների հասնելու համար: 2010-2017 թվականների գնահատման ժամանակահատվածում Հայաստանին ցուցաբերվող օգնությունը կենտրոնացված էր բյուջետային աջակցության մի շարք խոշոր ծրագրերի վրա, որոնք ուղղված էին խորքային և տևական բարեփոխումների իրականացմանը: Դրանք ներառում էին բարեփոխումներ արդարադատության, գյուղատնտեսության, ինչպես նաև

մասնագիտական կրթության և ուսուցման ոլորտում, Ասոցացման համաձայնագրի նախապատրաստում, և Եվրոպական հարևանության՝ գյուղատնտեսության և գյուղական համայնքների զարգացման ծրագիր (ԵՅԳԳՉԾ): Գնահատման ժամանակահատվածի ընթացքում ԵՄ-ի փաստացի ծախսերի ավելի քան մեկ երրորդը ծախսվել է անմիջապես բյուջետային աջակցության ծրագրերի<sup>21</sup> միջոցով՝ հաշվի առնելով լրացուցիչ աջակցությունը, ամբողջ փաստացի ծախսերի 60%-ը կապված էր բյուջետային աջակցության ծրագրերի հետ:

Բյուջետային աջակցության համադրությունը տեխնիկական օժանդակության և լրացուցիչ աջակցության այլ ձևերի հետ ցույց տվեց միջամտության այս ձևի արժեքը՝ շատ դեպքերում հասնելով այնպիսի խորքային և համակարգային փոփոխությունների, որոնց նա մտադիր էր հասնել և որոնք այլ մեթոդներով չէին կարող իրականացնել: Բյուջետային աջակցության ծրագրերի և քաղաքական երկխոսության միջև կապն ամուր է և, ամենայն հավանականությամբ, համատեղ ավելիին հասնելու հավանականությունն ավելի մեծ է, քան առանձին: Այնուամենայնիվ, այս աջակցության արդյունավետությունը սահմանափակ էր՝ այս երկարաժամկետ գործընթացների ընթացքում մոնիթորինգին, գնահատմանը և ուսուցմանը ոչ բավարար ուշադրություն դարձնելու հետևանքով:

Անհրաժեշտ է ավելի մեծ ուշադրություն՝ հասկանալու համար, թե ինչպես են իրական ժամանակում փոփոխության գործընթացները իրականանում, ինչ գործոններ են նպաստում կամ խոչընդոտում առաջընթացին, ինչպես, օրինակ՝ կազմակերպչական կարողությունները և քաղաքական հանձնառությունը, ինչպես նաև բարեփոխումների ազդեցությունը վերջնական շահառուների վրա:

Աղյուսակ 2: Բյուջետային աջակցության ծրագրի ոլորտները

Բյուջետային աջակցության ծրագրի ոլորտները	No. Կապակցված փուլերը	Ընդհանուր ծրագրված հատկացումները	Ընդամենը վճարված (մինչև 2019թ. մայիս)
Արդարադատության բնագավառի բարեփոխումներ	2	47 միլիոն եվրո	27.4 միլիոն եվրո
Աջակցություն Հայաստանի կառավարությանը Գործողությունների պլանի իրականացման և հետագա Ասոցացման համաձայնագրի պատրաստման համար	2	66 միլիոն եվրո	47 միլիոն եվրո
Մասնագիտական կրթություն և ուսուցում	3	36.2 միլիոն եվրո	18.6 միլիոն եվրո
ԵՅԳԳԳԶ	1	25 միլիոն եվրո	24.3 միլիոն եվրո
Պետական բյուջեի PRP	1	10 միլիոն եվրո	4.7 միլիոն եվրո
Մարդու իրավունքների աջակցություն	1	17 միլիոն եվրո	5.5 միլիոն եվրո

Գնահատման ժամանակահատվածում հրապարակվել են տասնհինգ դրամաշնորհային ծրագրեր՝ 33 միլիոն եվրո ընդհանուր գումարով: Ամբողջությամբ գնահատվեց այս ծրագրերից միայն մեկը՝ գնահատական տալով ծրագրերի ընդհանուր ազդեցությանը և զարգացման շատ բարդ գործընթացներում դրանց բարենպաստ ազդեցությանը, իսկ դրա ազդեցությունը զարգացման գործընթացների վրա շատ մտահոգիչ է՝ արդյունքների վրա հիմնված համախմբված ուսուցման բացակայությունը նվազեցնում է նմանատիպ թեմաների վերաբերյալ դրամաշնորհների կրկնվող ժամանակամիջոցների (ռաունդների) երկարաժամկետ փոխկապակցվածությունը:

<sup>21</sup> Ընդհանուր վճարված մոդալալիզացիայի ձևաչափի գրանցման միջոցով (ծրագրի գնահատում, բյուջետային աջակցություն) = 85.0 միլիոն եվրո, ընդհանուր ծախսերը = 237.6 միլիոն եվրո; CRIS (Արտաքին կապերի ընդհանուր տեղեկատվական համակարգ) տվյալների բազա

Հաշվետու ժամանակաշրջանում, ԵՄ ֆինանսական աջակցության շուրջ երկու երրորդը իրականացվել է չափորոշիչների միջոցով (օրինակ՝ դելեգացիոն կառավարում միջազգային կազմակերպությունների հետ և բյուջեի օժանդակություն): Հետևաբար, ավելի քիչ տեղ էր մնացել այն պայմանագրերի համար, որոնք շնորհվել էին բաց մրցակցային չափորոշիչներով, չնայած այն փաստին, որ մրցույթը երբեմն նպաստում է արդյունավետությանը և նորարարությանը:

**Գեներեր:** ԵՄ-ն քաղաքական մակարդակով ուժեղ աջակցություն է ցուցաբերել գեներային հավասարության ու կանանց իրավունքների ու հնարավորությունների ընդլայնման համար: Այն աջակցում էր կանանց իրավունքների պաշտպանության վրա հիմնված նոր իրավական դաշտի հաջող ներդրմանը՝ ներառյալ ընտանեկան բռնության դեմ պայքարը և կանանց հանդեպ տարակարծիքության աջակցությանը: Չնայած այս առանձնահատուկ հաջողությանը, գեներային հավասարության և ծրագրի մակարդակով կանանց իրավունքների ու հնարավորությունների ընդլայնման ԵՄ-ի աջակցությունը սահմանափակված էր՝ իր ծրագրերում և մասնավորապես՝ 2007-2014 թվականների երկրի ռազմավարական փաստաթղթերում գեներային հիմնախնդիրները պատշաճ կերպով չսահմանելու պատճառով: Առանց այդպիսի վերլուծության, հնարավոր չէր գեներային խնդիրները ոլորտի առաջնահերթություններում ներառող համապատասխան ծրագրեր մշակել: Վերջին երկու տարիների ԵՄ-ի նախաձեռնությունները (երկրի գեներային հավասարության պրոֆիլը, գեներային խնդիրների լուծման երկրի գործիքակազմը, գեներային հավասարության վերաբերյալ դասընթացները) դրական ազդեցություն են ունեցել ԵՄ քաղաքականության մշակման վրա: Հիմնական մարտահրավերը կլինի գեներային հավասարության ապահովման և կանանց իրավունքների ու հնարավորությունների ընդլայնման այս նոր հանձնառության իրականացումը կոնկրետ ծրագրերում, ինչպես նաև՝ ոլորտի առաջնահերթություններում գեներային խնդիրների ներգրավումը:

**Ժողովրդավարական հաստատություններ, օրենքի գերակայություն և դատական համակարգի բարեփոխում:** Գնահատման ժամանակաշրջանի սկզբին Հայաստանում դատական համակարգը կանգնած էր Եական խնդիրների առջև, ինչպիսիք են՝ կադրային դեֆիցիտը և կոռուպցիան, բանտերը գերբնակեցված էին և անարդյունավետ կանխելու կրկին հանցագործություններ կատարելու հավանականությունը, իսկ ընտրությունները տառապում էին համատարած անվստահությամբ: ԵՄ-ի կողմից ֆինանսավորվել են 50 միլիոն եվրո արժողությամբ բարեփոխումների պայմանագրեր, որից 32 միլիոն եվրո վճարվել է մինչև 2018 թվականի ավարտը: Արդարադատության ոլորտի բյուջետային աջակցության երկու ծրագրերը, հավանաբար, նպաստել են սահմանադրական և իրավական հիմնական բարեփոխումներին, որոնք հիմք են հանդիսացել դատական համակարգի անկախության և թափանցիկության համար: Քաղաքացիական հասարակության նորարար դերը արդարադատության ոլորտի բարեփոխումների մոնիթորինգում ուժեղացրեց ԶՀԿ-ի կարողությունները և աջակցեց բարեփոխումների իրականացմանը: Բարեփոխումների տեմպը դանդաղեց 2016-ից մինչև 2018 թվականը՝ հիմնականում քաղաքական ցնցումների և կառավարության առանցքային աշխատակազմի հաճախակի փոփոխության պատճառով: Պրոբացիայի նոր ծառայության ստեղծումը կարևոր քայլ էր առաջ, բայց դեռ արդյունքներ ցույց չեն տվել բանտարկյալների քանակի կրճատման վերաբերյալ, իսկ բանտի պայմանները Եականորեն չեն բարելավվել:

**Պետական կառավարման բարեփոխում (ՊԿԲ) /պետական ֆինանսների կառավարում (ՊՖԿ):** Պետական կառավարման ոլորտում իրականացվող բարեփոխումները համեմատաբար քիչ հաջողությունների են հասել՝ համեմատած պետական ֆինանսների կառավարման հետ: Չսպիչ գործոնը հիմնականում եղել է կառավարության կողմից՝ ՊԿԲ-ի համար վատ մշակված ռազմավարություններ և դրանց իրականացման համար հստակ պատասխանատվության բացակայություն: Ընդհակառակը, ՊՖԿ-ն ուներ հստակություն և նպատակաուղղվածություն, և, հետևաբար, ձեռք բերեց դոնորների վստահությունը: Ոլորտի բյուջետային օժանդակության օգտագործումը և որպես ընդհանուր պայման, ֆինանսական պատշաճ կառավարման խիստ պահանջը ռեֆորմների խթանման համար հզոր աղբյուր են հանդիսանում: Տեխնիկական աջակցության ընտրված ծրագրերը, ինչպիսիք են՝ ԵՄ խորհրդատվական խումբը և Գործընկերային ծրագրերը, բավարար չափով չեն ներգրավվել աջակցելու կառուցվածքային և կազմակերպչական բարեփոխումներին, որոնք կնպաստեն քաղաքականության մշակման և իրականացման գործընթացների ավելի կայուն ցուցանիշների բարելավմանը:

**Մարդու իրավունքներ և քաղաքացիական հասարակություն:** ԵՄ-ն իրականացրեց ինտերվենցիաների (միջամտությունների) համապարփակ պորտֆոլիո՝ պաշտպանելու ինչպես քաղաքացիական հասարակության, այնպես էլ մարդու իրավունքները: Մարդու իրավունքների համար բյուջետային աջակցության այս կարևորագույն ծրագիրը նորարարական էր և նպաստեց մարդու իրավունքների վերաբերյալ օրենսդրության և ինստիտուցիոնալ կարողությունների հիմնարար բարելավմանը:

Առաջընթաց է գրանցվել վարչական արդարադատության, խոշտանգումների<sup>22</sup> քրեականացման ոլորտներում, ինչպես նաև քրեական դատավարության նոր օրենսգրքի նախագծում՝ ապահովելով մարդու իրավունքների պաշտպանության կարևորագույն երաշխիքները: Սահմանադրության մեջ մարդու քաղաքացիական, քաղաքական, սոցիալական և տնտեսական իրավունքների մանրամասն մշակումը նույնպես մեկ քայլ առաջընթաց է: Այնուամենայնիվ, անհրաժեշտ կլինի լրացուցիչ ջանքեր գործադրել՝ հավաստիացնելու, որ ՀՀ քաղաքացիների մարդու, քաղաքական և տնտեսական հիմնական իրավունքները բավարար չափով պաշտպանված են, և արդարադատության ոլորտի հաստատությունները իսկապես պահպանում են այդ իրավունքները:

Վերանայված ժամանակահատվածի ընթացքում՝ քաղաքացիական հասարակության ԵՄ աջակցությունը նպաստել է քաղաքացիական հասարակության ընդհանուր զարգացմանը: Ներգրավելով քաղաքացիական հասարակության կազմակերպություններին ԵՄ-ի հետ խորհրդակցությունների, ինչպես նաև կառավարության հետ քաղաքականության մշակման վերաբերյալ երկխոսության մեջ, նրանց կարողությունները ուժեղացան, և տեղի ունեցավ ավելի արդյունավետ երկխոսություն: Հայաստանում քաղաքացիական հասարակության կազմակերպությունների (ԸՀԿ) համար շրջակա միջավայրն ավելի բարենպաստ է՝ ԸՀԿ-ների կայունության առումով երկիրը 2-րդ տեղում էր Եվրասիայում: ԵՄ-ն աջակցել է «Հասարակական կազմակերպությունների մասին» օրենքում փոփոխություններ կատարելու վերաբերյալ խորհրդատվությունների մշակմանը և կազմակերպմանը և նպաստել է քաղաքացիական հասարակության սուբյեկտների միջև սոցիալական ձեռներեցությանը:

**Առևտրատնտեսական զարգացում.** Մինչև 2014 թվականը ԵՄ աջակցությունը առաջնահերթություն էր տալիս ԵՄ կանոնակարգերի մոտեցմանը և ընդլայնեց մուտքը դեպի ԵՄ շուկաներ՝ որպես առևտրատնտեսական զարգացման աջակցության իր հիմնական ռազմավարություն: Երբ 2013թ-ին Հայաստանը մերժեց Ասոցացման համաձայնագիրը և հորը և համապարփակ ազատ առևտրի համաձայնագիրը և փոխարենը միացավ Եվրասիական տնտեսական միությանը, ԵՄ-ը ռազմավարությունը անցավ դեպի ներդրումներ կատարելուն՝ աջակցելու գյուղատնտեսությանը և ՓՄՁ-ներին: Այս ոլորտում ԵՄ ֆինանսավորումը Հայաստանին 2010-2013 թվականների ընթացքում հասավ 5,3 միլիոն եվրոյի և 66 միլիոն եվրոյի՝ 2014-2017 թվականներին, որոնք հիմնականում պայմանավորված էին Եվրոպական հարևանության՝ գյուղատնտեսության և գյուղական համայնքների զարգացման ծրագրի (ԵՀԳԳՀՁԾ) բյուջեի օժանդակության ծրագրով և Հայաստանի ՓՄՁ ֆինանսական և խորհրդատվական միջոցներով (ՎԶԵԲ-ի հետ համատեղ): Չնայած գնահատման ժամանակահատվածում ընդհանուր արտահանումը բարելավվել է, համեմատաբար արտահանումը դեպի ԵՄ անկում է ապրել՝ հոգուտ Եվրասիական տնտեսական միության ավելի մատչելի շուկաների: Ընդհանուր առմամբ, հայկական ձեռնարկությունները չկարողացան օգտվել Արտոնյութությունների ընդհանրացված համակարգից (ԱԸՀ+): ԵՄ անցումը գյուղատնտեսության և ՓՄՁ ոլորտի ներդրումների՝ ամբողջությամբ համապատասխանում էր Հայաստանի տնտեսության և մարդկանց կարիքներին: ՓՄՁ-ների և գյուղական համայնքների/գյուղատնտեսական զարգացման ծրագրերի մեծ մասը սկսվել են համեմատաբար վերջերս՝ առաջընթացի և վերջնական հաշվետվությունները վկայում են ՓՄՁ-ների,

<sup>22</sup> Նշում. Երբ խոսքը վերաբերում է 2015թ-ի հունիսի 9-ին ՄԱԿ-ի խոշտանգումների մասին կոնվենցիային համապատասխանությանը, ապա Հայաստանի Հանրապետության Ազգային ժողովն ընդունեց ՀՀ քրեական օրենսգրքում և քրեական դատավարության օրենսգրքում փոփոխություններ և լրացումներ կատարելու մասին օրենքների նախագծերը: Այսպիսով, քննարկվող օրենսդրական օրենսդրության արդյունքում ապահովվել է լիարժեք համապատասխանություն ներքին օրենսդրությանը և միջազգային պարտավորություններին, և խոշտանգումների հանցագործությունը այժմ լիովին համապատասխանում է ՄԱԿ-ի խոշտանգումների և այլ դաժան, անմարդկային կամ նվաստացնող կոնվենցիայի 1-ին և 4-րդ հոդվածներին



ներդրումների և զբաղվածության քանակի ավելացումը ծրագրի մակարդակով որոշ ապացույցներ, սակայն եական ազդեցությունը ավելի շատ ժամանակ կպահանջի ակնհայտ դառնալու համար:

**Կապ:** Հայաստանը զգալի պահանջներ ուներ, սակայն սահմանափակ միջոցներ՝ ներդրումներ կատարելու տրանսպորտի, էներգետիկայի և շրջակա միջավայրի պահպանության ոլորտներում: ԵՄ-ի դրամաշնորհային աջակցությունը ԵՀԳԳ-ի և ԵՀԳ-ի բավարար կամ համապատասխան գործիք չէ այս կարիքները բավարարելու համար: Համաշխարհային բանկը և Ասիական զարգացման բանկը վարկային ֆինանսավորման միջոցով կապի ոլորտի ծրագրերի պետականառաջատար ֆինանսավորողներն էին: ԵՄ-ի ներգրավվածությունը ԵՆԲ-ի և ՎՁԵԲ-ի համատեղ ֆինանսավորմամբ գործընկերության մեջ առանձնահատուկ արժեք և հնարավորություն տվեց ընդլայնելու ԵՄ-ի սահմանափակ միջոցները՝ ավելացնելով արտադրողական հնարավորությունները և ներդրումները և ակնհայտ դարձնելով այս ոլորտում խնայողությունների արդյունավետ իրականացումը: Կապի ոլորտի ծրագրերը, որոնք ուղղակիորեն ֆինանսավորվում էին ԵՄ-ի կողմից, ինչպիսիք են՝ Երևանի մետրոն և Կոտայքի կոշտ թափոնների վերամշակման գործարանը, իրականացման ընթացքում զգալի ուշացումներ են ունեցել՝ հիմնականում համապատասխան ծրագրերի հասունացման բացակայության և շահառուների սահմանափակ վարչական կարողությունների պատճառով: ԵՄ-ն ընկալվում է որպես էներգետիկ արդյունավետության և շրջակա միջավայրի պաշտպանության առաջատար չեմպիոն, որին հաջողվել է ուժեղացնել վարչական կարողությունները տրանսպորտի, էներգետիկայի և շրջակա միջավայրի ոլորտում:

**Մարդկային հարաբերություններ:** Հայաստանը բախվեց գործազրկության բարձր մակարդակի խնդիրների հետ, մասնավորապես՝ երիտասարդության շրջանում և գյուղական վայրերում, ինչպես նաև՝ աշխատուժի արտագաղթի: ԵՄ-ն միակ խոշոր դոնորն էր միջնակարգ կրթության և միգրացիայի ոլորտում և իր ուժերն օգտագործեց երկու ոլորտներում էլ, օրինակ՝ Եվրոպական կրթական հիմնադրամի և միգրացիայի կառավարման ոլորտում ԵՄ-ի առանձնահատուկ պրոֆեսիոնալ մոտեցման միջոցով: Մասնագիտացված կրթության և ուսուցման (ՄԿՈՒ) ոլորտում ԵՄ աջակցությամբ իրականացվող գործողությունները հասել են զգալի համակարգային բարեփոխումների և կրթական համակարգի պայմանների բարելավման: Սրանք, իրենց հերթին, ավելի գրավիչ են դարձրել ՄԿՈՒ դպրոցները և հանգեցրել ընդունվողների ցուցանիշների բարձրացման: Երիտասարդների այն մասը, ովքեր չունեն կրթություն, զբաղվածություն կամ մասնագիտական պատրաստվածություն, փոքր-ինչ նվազել է, բայց շարունակում է մնալ ամենաբարձր տարածաշրջանում:

2012թ.-ին, միգրացիայի ոլորտում, ԵՄ-ն կնքեց վիզաների դյուրացման պայմանագիր, իսկ 2013թ.-ին հետընդունման համաձայնագիր: Այն աջակցեց ներգաղթյալներին, փախստականներին և ապաստան հայցողներին վերաբերող ներքին օրենսդրության վերանայմանը՝ միջազգային պայմանագրերին համապատասխանեցնելու համար: Հետընդունման տարեկան քանակը՝ համաձայն հետընդունման համաձայնագրի 17-ից (2012թ.-ին) հասել է 1.704-ի (2018թ.)<sup>23</sup>: Նշանակալից ներդրում է իրականացվել միգրացիայի կառավարման բարելավման գործում, որը ֆինանսավորվել է ԵՄ աջակցությամբ և իրականացվում է թվինինգ և տեխնիկական աջակցության ծրագրերով: Ավելի հաջող աջակցություն է մշակվել՝ ավելի սերտորեն անդրադառնալու ազգային ինստիտուտների իրական կարիքներին և իրավասություններին: Այնուամենայնիվ, համապատասխան ոլորտի բյուջետային աջակցության ծրագրերի մոնիթորինգը և գնահատումը բավարար չէր ուսուցման և աշխատանքի ցուցանիշների բարելավմանն աջակցելու համար:

**Պատվիրակության անձնակազմի համալրում.** Պատվիրակության անձնակազմի համալրման հարցը բարձրացվել է ոլորտի գնահատման ուսումնասիրության ընթացքում: Համագործակցության բաժնում տասնհինգ հոգուց բաղկացած թիմի համար աշխատանքային ծանրաբեռնվածությունը 2011-2017թթ.<sup>24</sup> ընկած ժամանակահատվածում տարեկան շուրջ 90 գործող պայմանագրերի մեծ

<sup>23</sup> Պեռական միգրացիոն ծառայություն, [http://www.smsmta.am/?menu\\_id=3](http://www.smsmta.am/?menu_id=3)

<sup>24</sup> 2011-2017 թվականների պայմանագրերի միջին քանակը, որի համար ընթացիկ տարում եղել են ակտիվ վճարումներ, ԱՎԾ տվյալներ, գնահատող թիմի հաշվարկներ

պորտֆոլիոյի կառավարման, նոր ծրագրերի համար պայմանագրերի կնքման և հետագա պլանների կազմման համար բավականին ծանր էր:

Արևելյան գործընկերության տարածաշրջանում այլ պատվիրակությունների հետ համեմատական վերլուծությունը ցույց տվեց կադրերի համադրելի մակարդակները: Այնուամենայնիվ, համեմատական անցկացնելով և առաջնահերթություն տալով պայմանագրային գործընթացներին՝ աշխատանքի ծանրաբեռնվածությունն, ամենայն հավանականությամբ, ազդեց ուսուցման վրա և հետագա ծրագրի մշակման համար այդ ուսուցման փոխանցման խանգարող հանագամանք հանդիսացավ:

**Մոնիթորինգ, գնահատում և ուսուցում (ՄԳՈՒ):** ՄԳՈՒ-ի համար օգտագործվող գործիքները ծառայեցին ծրագրի իրականացմանն աջակցելու համար, բայց դրանք բավարար չէին ռազմավարության իրականացման, արդյունքների և ազդեցության տեղեկացված և կանոնավոր գնահատումն ապահովելու համար: Արդյունքների վրա հիմնված մոնիթորինգը (ԱՅՄ) կիրառվում էր միայն բացառիկ ծրագրերում՝ Արդյունքների մասին հաշվետվության տվյալները մասնատված էին և հիմնականում ծառայում էին իրականացման առաջընթացի, բայց ոչ թե ազդեցության և արդյունքների վերաբերյալ տեղեկատվություն տալու համար: Ազգային ինդիկատիվ ծրագրում (ԱԻԾ) և Միասնական աջակցության շրջանակներում (ՄԱՇ) սահմանված ցուցանիշների վերաբերյալ տվյալների կանոնավոր և համակարգված հավաքում չի եղել: Փաստաթղթերի կառավարումը համակարգված չէր, և կարևոր փաստաթղթերը միշտ չէ, որ հեշտ էր գտնել, որը սահմանափակում էր կազմակերպչական ամբողջականությունն ու ուսուցումը:

### *Եզրակացություններ և եզրահանգումներ*

Սույն գնահատմամբ ընդգրկված ժամանակահատվածի ավարտին (2018 թվական), Հայաստանում տեղի ունեցան խոշոր քաղաքական փոփոխություններ: Այս գնահատման եզրակացությունները սահմանափակվում են այնքանով, որքանով դրանք բխում են 2010-2017 թվականների փորձից: Այնուամենայնիվ, գնահատող խումբը կենտրոնացել է այն եզրակացությունների, քաղած դասերի և առաջարկությունների բացահայտման վրա, որոնք, 2018-2019 թվականների քաղաքական փոփոխություններից հետո դեռևս կարող են օգտակար լինել ինչպես Հայաստանի, այնպես էլ Եվրամիության համար:

2010-ից 2017 թվականների ընթացքում ԵՄ-ի ավելի քան կես միլիարդ եվրոյի ներդրումները Հայաստանում նպաստեցին համակարգային փոփոխություններին և բարելավումներին ուղղված սահմանված չորս հիմնական ոլորտներում՝ ուժեղ տնտեսություն, ավելի ուժեղ կառավարում, ավելի ամուր կապ և ավելի ուժեղ հասարակություն: Այս համակարգային փոփոխությունների հետևանքները շատ դանդաղ են ազդում Հայաստանում ապրող մարդկանց կյանքի վրա: Գոյություն ունի բարելավված գյուղատնտեսական արտադրանք և ավելի բարենպաստ միջավայր բիզնեսի համար, գործազրկությունը համառորեն մնում է բարձր, իսկ զբաղվածությունը՝ ցածր մակարդակի վրա: Դատաիրավական ոլորտի բարեփոխումը հիմք է հանդիսացել արդար դատական համակարգի համար, բայց արդարադատության ոլորտի բարելավումը սահմանափակվում է այնպիսի գործոններով, ինչպիսիք են՝ աշխատակազմի ցածր մակարդակը և գերբնակեցված բանտերը: ԵՄ ներդրումը Էներգետիկայի և ենթակառուցվածքների ոլորտում օգնել է ավելի շատ ֆինանսական միջոցներ ձեռք բերել Միջազգային ֆինանսական կառույցներից: Այս ներդրումների հետևանքները կզգացվեն առաջիկա տարիներին: Հայ ժողովուրդը կարող է ավելի հեշտորեն մտնել ԵՄ, իսկ մասնագիտացված ուսումնական հաստատությունները՝ նոր սովորող սերնդին, որոնք մտնում են աշխատաշուկա՝ վերագինում են համապատասխան հմտություններով: 2007-2013 թվականների երկրի ռազմավարության փաստաթղթում հայտնաբերված որոշ հիմնական խնդիրներ համապատասխան ուշադրության չեն արժանեցել, մասնավորապես, կոռուպցիայի դեմ պայքարի և խաղաղության հաստատման համար, քանի որ այդ ոլորտներում առաջընթացը շատ սահմանափակ էր:

ԵՄ-ն ի հայտ եկավ սույն գնահատման ժամանակաշրջանի ավարտին՝ ավելի հստակ նպատակներով և կայունության ապահովման գործիքների համապարփակ և հզոր շրջանակով՝ Եվրոպական հարևանության քաղաքականության շրջանակներում աջակցելու ինստիտուցիոնալ և տնտեսական բարեփոխումներին ու զարգացմանը: Բյուջետային աջակցության և լրացուցիչ օժանդակության

ծրագրերի վրա հիմնված ընդհանուր համակարգային մոտեցումը՝ աշխատելաճի արդյունավետ միջոց է քաղաքական համաձայնության և պարտավորությունների ստանձնման պայմաններում: Այն կարող է հանգեցնել լայնածավալ և խորը բարեփոխումների, որոնք կայուն կլինեն: Որպեսզի բյուջետային օժանդակությունն առավել արդյունավետ լինի, ՌԲԱ ծրագրերը պետք է համալրվեն ավելի շատ ներդրումներով մոնիթորինգի, գնահատման և ուսուցման գործընթացում, մասնավորապես՝ կապված փոփոխությունների մեխանիզմների, մոնիթորինգի արդյունքների, ինչպես նաև արդյունքների հետ՝ ավելի լավ պատկերացում կազմելու ձեռքբերումների մասին և թե ինչպես հետագայում բարելավել արդյունավետությունը:

Քաղաքական փոփոխությունների և տնտեսական ցնցումների տեսքով իրադարձություններն անխուսափելիորեն ազդում են ինչպես առաջընթացի, այնպես էլ արդյունքների վրա: Այնտեղ, որտեղ բարեփոխումներ կատարելու քիչ ցանկություն կա՝ չնայած պայմանագրային պարտավորություններին՝ այնպիսի ոլորտներում, ինչպիսիք են՝ արդարադատության և մարդու իրավունքների ոլորտը՝ ԵՄ-ի մոտեցումը չի հանգեցրել կայուն արդյունքների: 2018թ-ի քաղաքական փոփոխություններից հետո, ակնկալվում է, որ այս ոլորտներում բարեփոխումները կարագանան: Մյուս ոլորտները, ինչպիսիք են՝ պետական կառավարման ոլորտի բարեփոխումները, Կառավարության կողմից բարեփոխումների նախագծման և իրականացման համար հստակ պատասխանատվության բացակայության պատճառով սահմանափակ էին: Մասնագիտական կրթության և ուսուցման, ինչպես նաև զբաղվածության ոլորտի բարեփոխումները կաշկանդված էին ֆինանսների նախարարության և կրթության նախարարության միջև համակարգման խնդիրների, ինչպես նաև ընթացիկ զբաղվածության ծառայությունների համար հասանելի սահմանափակ բյուջետային միջոցների պատճառով: Այս խնդիրները կարող են ավելի լավ լուծվել բյուջետային աջակցության ծրագրերի մշակման փուլում:

Պատվիրակության կազմում սկսվել է արծարծվել գենդերային խնդրի հարցը: Բավականին մեծ աշխատանք կպահանջվի որպեսզի ձեռք բերված առաջընթացն ադեկվատ կերպով ինտեգրվի ծրագրի ընտրության, մշակման և իրականացման մեջ:

Համակարգումը դոնորների միջև կտրուկ բարելավվել է 2015 թվականից, չնայած, գնահատման ժամանակահատվածում, Կառավարությունը բավարար ղեկավար կազմ չի ապահովել դոնորների համակարգումը բարձր մակարդակով պահելու համար՝ փոխարենը ապավինելով առանձին նախարարությունների ջանքերին: Նախարարությունների միջև հարաբերությունների լարվածությունը սահմանափակում էր բյուջետային աջակցության ծրագրերի արդյունավետությունը՝ սահմանափակելով իրականացման համար պատասխանատու նախարարության ֆինանսական հոսքերը Ֆինանսների նախարարությունից:

Վերջապես, ԵՄ-ն պետք է հավաստիացնի, որ իր գործողությունները համահունչ են Երևանում և գլխամասներում գտնվող ԵՄ պատվիրակության համապատասխան անձնակազմի մակարդակներին:

### *Առաջարկություններ*

**R1: Կադրային և ծրագրային հնարավորություններ.** Հետագա ծրագրերի մշակման շրջանակներն ու մասշտաբները պետք է համաչափ լինեն մարդկային ռեսուրսների հետ՝ հասանելի պատշաճ ձևավորման, կառավարման և օժանդակության իրականացման համար: ԵՄ-ն պետք է քննարկի հարևանության մեջ պատվիրակությունների հետագա ֆունկցիոնալ և աշխատանքային ծանրաբեռնվածության վերլուծության հարցը՝ գնահատելու աշխատակազմի քանակի և կարողությունների համապատասխանությունը:

**R2: Մոնիթորինգ, գնահատում և ուսուցում.** ԵՄ պատվիրակությունը պետք է քննարկի բազմամյա գործողությունների պլանի պատրաստումը՝ մոնիթորինգը, գնահատումը և ուսուցումը բարելավելու համար: ԵՄ պատվիրակությունը պետք է ապահովի կադրային ռեսուրսների համապատասխանությունը, որոնք հատկացված են մոնիթորինգի, գնահատման և ուսուցման համար անհրաժեշտ գործառնություններն իրականացնելու համար՝ մշակել հիմնական ցուցանիշների մոնիթորինգի շրջանակ («ցուցանիշների բալանսավորված համակարգ»), գնահատման պլան և իրականացնել անձնակազմի և շահագրգիռ կողմերի ուսուցման աջակցության մեխանիզմներ: Կարևոր է նաև փաստաթղթերի կառավարման բարելավումը:

**R3: Կառավարության դոնորների համակարգման կարողությունները.** Կառավարության կարողությունները և ներգրավվածությունը դոնորների համակարգման մեջ ամբողջ կառավարման մակարդակում արդյունավետ չեն եղել: ԵՄ-ն պետք է հաշվի առնի հնարավորությունները՝ աջակցելու կառավարությանը զարգացնելու ավելի հզոր կարողություններ՝ ազգային բարեփոխումների և զարգացման գործընթացում դոնորների ներդրումների պլանավորման և աջակցության հարցում:

**R4: Բյուջետային աջակցության ծրագրեր.** Բյուջետային աջակցության ծրագրերը և այլ խոշոր ծրագրեր կարիք ունեն ավելի լավ նախապատրաստման և մշակման: ԵՄ-ն պետք է որոշի այն մեթոդները, որոնց միջոցով բյուջետային աջակցության ծրագրերի (և այլ խոշոր միջամտությունների) նախագծման գործընթացը կարող է ավելի լավ արտացոլել ինստիտուցիոնալ իրողություններն ու սահմանափակումները, որոնց հետ բախվում է կառավարությունը:

**R5: ՄԳՈՒ Բյուջետային աջակցման ծրագրերի համար.** ԵՄ-ն պետք է դիտարկի, թե ինչպես բարելավել գնահատումը և ուսուցումը, որոնք բխում են մեծածավալ բյուջետային աջակցության ծրագրերից և դրանց օժանդակող լրացուցիչ միջոցառումներից՝ աշխատանքների կատարողականը բարելավելու համար: Դա կարող է իրականացվել ՄԳՈՒ իրականացնող կազմակերպությունների ներգրավմամբ՝ ծրագրի նախագծման և իրականացման հետ զուգահեռ: Նման բաղադրիչը կարող է իրական ժամանակի օժանդակություն ցուցաբերել մոնիթորինգին, գնահատմանը և ուսուցմանը՝ ամրապնդելով ծրագրի արդյունավետությունը, ազդեցությունն ու կայունությունը: ՄԳՈՒ գործունեությունը չպետք է փոխարինի համապատասխանության նորմատիվային պահանջների անկախ փորձաքննությանը, այլ պետք է լրացնի դրանք:

**R6 Մրցակցություն և արդյունավետություն.** Բացի բյուջեի աջակցությունից և ՄԱԿ-ի գործակալությունների կամ ԵՄ անդամ պետությունների գործակալությունների միջոցով անուղակի կառավարումից, ԵՄ-ն պետք է մտածի, թե ինչպես բարձրացնել ֆինանսական աջակցության մասնաբաժինը, որը շնորհվում է բաց մրցակցության արդյունքում: Մրցակցային պայմանագրերն ունեն աշխատանքային ծանրաբեռնվածության և հետագա ուշացումների հնարավոր հետևանքներ, բայց, այնուամենայնիվ, պետք է բարելավեն ընդհանուր արդյունավետությունն ու նորարարությունը:

**R7: Բյուջետային աջակցության ծրագրերի արդյունավետությունը.** Դրա հետ կապված՝ ԵՄ-ն պետք է մտածի, թե ինչպես բարելավել բյուջետային աջակցության ծրագրերի արդյունավետությունը, մասնավորապես ծախսարդյունավետությունը: Այն եղանակները, որոնց միջոցով արդյունավետությունը կարող է բարելավվել՝ ներառում են ենթակառուցվածքների բաղադրիչների ուղղակի մրցակցային մրցույթների գործընթացներ՝ փոխարենը դրանք ընդգրկելով բյուջեի ընդհանուր աջակցության փաթեթում՝ ավելացնելով մոնիթորինգը և վերահսկողությունը՝ բարելավելու ֆինանսավորման փոխանցման տեմպերը ֆինանսների նախարարությունից պատասխանատու նախարարություններին և խթանելու համարժեք բյուջետային հատկացումների պահպանումն ու կայուն ծառայությունների մատուցումը:

**R8: Գեներեր.** Գեներային հարցերը պատշաճ մակարդակով չեն լուծվել, և դեռևս տարածված և մշտական խնդիրներ են հայաստանում: Պատվիրակության ներկայացուցիչները պետք է ուղիներ գտնեն՝ բարձրացնելու գեներային հիմնախնդիրների լուծմանն ուղղված բարձր մակարդակի հանձնառությունը և ապահովել, որ դրանք լուծվեն քաղաքական երկխոսության և ծրագրի ձևավորման / իրականացման ընթացքում:

## 2. Introduction

### 2.1. Overview of this document

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**This is the final report of the Evaluation of the European Union’s co-operation with Armenia, Country Level Evaluation, under Framework Contract COM 2015, EuropeAid /137211/DH/SER/Multi (Contract number 2018/395573).**

Armenia has been part of the European Neighbourhood Policy (ENP) since 2004. As well as participating in the Neighbourhood processes, Armenia has received some EUR 568 million<sup>25</sup> in cooperation assistance from EU Institutions<sup>26</sup> between 2010 and 2017, mostly but not exclusively through the European Neighbourhood and Partnership Instrument (ENPI) and, more recently, the European Neighbourhood Instrument (ENI).

This evaluation aims to “assess whether and to what extent the various projects and programmes financed by the EU under the European Neighbourhood and Partnership Instrument (ENPI) 1, the European Neighbourhood Instrument (ENI) 2, and the EU thematic programmes in the period 2010-mid-2017 are contributing to the achievement of the strategic objectives of the EU Cooperation with Armenia”. The evaluation should also “identify key lessons to improve current and inform future choices”.

#### *Purpose of the evaluation*

As a specific objective, the terms of reference for this evaluation request that it should assess the following:

- The relevance and coherence of European Union’s co-operation strategy and programmes in the period 2010- mid-2017; this assessment should be done based on a dynamic approach looking for example at issues such as the extent to which the EU support has been responsive to the changes in the socio-economic context of Armenia.
- The implementation of the European Union’s co-operation, focusing on impact, sustainability, effectiveness and efficiency for the period 2010 to mid-2017. The evaluation should keep its focus broad and also take into account implementation of activities approved prior to 2010 but implemented during the evaluation period, as appropriate, as well as the new programming for the period 2017– 2020.
- The consistency between programming and implementation.
- The value added of the European Union’s interventions (at both strategic and implementation levels).
- The coordination and complementarity of the European Union’s interventions with other donors’ interventions and coherence between the European Union’s interventions and policies that are likely to affect the partner country/region. The latter should include an assessment of the extent the programmes, financed by the EU, are coherent with the objectives set in agreement with Armenia.
- The coordination and coherence of the various types of cooperation (bilateral, regional and thematic instruments). This should include an assessment of the “fitness for purpose” of the tools/instruments relative to the context of Armenia and efficiency of the procedures used.

The overall objective and the specific objectives have been translated into eleven evaluation questions, and these have provided the main focus of the evaluation process, as summarised in Table 3:

<sup>25</sup> <https://euaidexplorer.ec.europa.eu>

<sup>26</sup> ‘EU Institutions’ is the terminology used by OECD DAC to record flows of Official Development Assistance. It includes both the European Commission and the European Investment Bank.

Table 3: Evaluation questions

EQ	Criteria	Question to be addressed in the evaluation
EQ 1	Relevance	Are the objectives and interventions of the EU assistance consistent with EU priorities as set out in the EU external action policy framework now, and as they evolved over the time period?
EQ 2	Coherence, complementarity coordination	To what extent is there coherence and complementarity with other EU policies and interventions of other donors, especially of EU Member States?
EQ 3	EU Value Added	What is the added value of an EU level intervention compared to interventions by other donors, and to what extent is the EU visible in the country?
EQ 4	Modalities and Instruments	To what extent was the mix of aid modalities and instruments used by the EU relevant, effective and efficient in the Armenian context, and to what extent is there complementarity within the mix of aid modalities and other instruments used by the EU?
EQ 5	Gender	To what extent do policy dialogue, programming and implementation of EU assistance consistently take into account gender issues, and in particular the specific gender issues faced in Armenia?
EQ 6	Democratic institutions, rule of law and reform of the judiciary	To what extent, and how, has the EU assistance to Armenia contributed to strengthening democratic institutions, rule of law and reform of the judiciary?
EQ 7	Public Administrative Reform including Public Financial Management	To what extent, and how, has the EU assistance to Armenia contributed to improving transparency, accountability and efficiency of the public administration and PFM at central, regional and local levels?
EQ 8	Human rights and civil society	To what extent, and how, has the EU assistance to Armenia contributed to enhancing the protection of Human rights and fundamental freedoms, and civil society development?
EQ 9	Trade and Economic Development	To what extent, and how, has the EU assistance to Armenia contributed to promoting key economic reforms, including the business and investment environment, agricultural development, SMEs support and the economic competitiveness of Armenian regions, and creating trade and market opportunities?
EQ 10	Connectivity	To what extent and how has EU assistance to Armenia contributed to improving infrastructure, energy and the environment?
EQ 11	People to People	To what extent, and how, has EU assistance to Armenia contributed to achieving objectives in the areas of orderly migration and education?

In order to answer these evaluation questions, the evaluation team, in cooperation with DG NEAR, developed an evaluation matrix, consisting of judgement criteria for each question and indicators for each judgement criterion. *This matrix is presented in Annex 127.*

The work for this report has been carried out over the period from May 2018 to September 2019. During this period, some major changes have taken place in Armenia. While the evaluation period covers 2010-2017, where relevant the report takes into account the events since May 2018. These include the provisional entry into force of the Comprehensive and Enhanced Partnership Agreement (CEPA) in June 2018, and the election of a new Government in December 2018. The gravity of these events – particularly the latter – are contributing factors to the long period over which this evaluation has been in process.

It is important to note that this is, primarily, a backward-looking evaluation. In other words, it aims to look at what was done, what was achieved and what lessons can be learned. Recommendations therefore flow from this experience. It is *not* a formative review looking at the current situation and aiming to provide guidance on

<sup>27</sup>see Volume II of the Final Report, which contains Annexes 1-8. Volume III contains sector specific chapters, with evidence for EQs 5-11.

what to do in the future. Its scope is necessarily broad, and consequently there are limits to the extent to which the research can go deeply into some areas.

We have structured the main report so that it can offer a broad, strategic review of the work of the EU in Armenia. Our in-depth work is contained in the annexes, so the energetic and interested reader can look at the data and analysis structured around the sectors – primarily EQ 5 to EQ 11. This analysis supports the findings presented in the main report.

As a backward-looking evaluation, recommendations provided in this report must be considered by management of DG NEAR and the EUD in Armenia in the light of recent events, their own planning and priorities, and the actions that have been taken since the end of the period covered by this evaluation (2010-2017). The consultation process based on the draft version of this report aims to ensure that recommendations, although based on evidence from the past, are relevant and feasible for the future.

## 2.2. Scope

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The timeframe to be covered by the evaluation is 2010 – 2017. The relevant programming documents are:

- National Indicative Programme (NIP) 2007-2010
- National Indicative Programme (NIP) 2011-2013
- Single Support Framework (SSF) 2014-2017

Because the EU programming process is multi-year, EU actions have been included in the scope of the evaluation that were planned and agreed prior to 2010 – hence the relevance of the NIP 2007-2010. The sole criterion for inclusion is that the actions agreed prior to 2010 had some level of activity (defined by actual expenditure recorded in the MIS<sup>28</sup>) during 2010 or later years. By this logic, the scope includes all actions that were either agreed or active during the evaluation period.

The cut-off point for later actions is that the contracting date is 2017 or earlier. This does include actions that were agreed but had no current expenditure during the evaluation period.

There are, overall, some 404 contracts recorded on CRIS included within this period totalling some EUR 257 million of actual expenditure during the period, and a planned budget of EUR 462 million. Of these contracts, some 41 have recorded no current expenditure during the 2010-2017 period (a budgeted value of EUR 63 million). These are mostly recent (i.e. 2016/2017 CRIS entries that had not yet incurred actual expenditures).

All projects are included where the 'Action Location' is, or includes, 'Armenia'. This includes regional and multi-country projects, as well as projects located in specific areas within Armenia.

While the EU played a key role in Armenia's recent political changes, this evaluation does not look at the political and diplomatic work of the EU and the EU Delegation (EUD). It does, however, examine the role of *policy* dialogue that accompanies many areas of programming financed by the EU.

The extent to which regional projects are covered is limited, as is the extent to which projects funded by Brussels programmes such as Erasmus+. This is for practical reasons; fieldwork was carried out in Armenia only, not the wider region, and data and documentation on Brussels programmes is much more complex to obtain and analyse from a specifically Armenian perspective<sup>29</sup>. Where possible, we have attempted to take account of these contributions from a macro perspective through the analysis of available data.

<sup>28</sup> Management Information System – the system in use by DG NEAR to record financial transactions and is separate from the CRIS system.

<sup>29</sup> As an example, an Erasmus + project typically involves five or more universities from five or more countries. In order to assess the impact of one project on Armenia, it would require disaggregating funding and activities in a way that would be extremely time-consuming.



## 2.3. Prior evaluations

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### *2006 Country Strategy Evaluation*

The last country level evaluation of EU assistance carried out in Armenia was the Country Strategy Evaluation of 2006<sup>30</sup>. The evaluation team took note of its key conclusions and recommendations in order to inform findings from the present evaluation. It is a useful exercise to see to what extent recommendations were indeed followed up.

In summary, the 2006 evaluation concluded that:

- Through interventions supporting the reform of the institutional and legal framework governing economic activity the Commission has made an effective contribution to the transition of Armenia to a market economy.
- The EU had provided an important contribution to securing and diversifying Armenian energy supply sources, thus relaxing a major constraint to economic growth.
- Technical assistance provided in the framework of the food security programme had efficiently assisted the government in improving the management of public resources.
- The Commission had also effectively supported [Armenia] through a technical assistance [...] in the negotiations which led to Armenia's accession to WTO in 2003, and helped the government implement post-accession commitments.
- Poverty had been directly addressed through interventions in social sectors and the Food Security Programme in particular had given significant support in alleviation.
- Issues related to the transition of Armenia to a democratic society have only gradually gained importance in the Commission's cooperation. It concluded that the Commission had hardly made use of its political leverage to induce GoA to strengthen democracy and the rule of law.

It recommended that:

- The Commission should make democratic progress, respect of human rights and enforcement of the rule of law a priority for future cooperation.
- All financing instruments should be integrated in the Country Strategy, in the National Indicative Programme and Action Programmes.
- Interventions should, in general, be limited to a number of concentration areas (e.g. approximation of the Armenian legislation relative to economic activity and trade to that of the Commission and further poverty alleviation through continued support to agricultural and rural development policy, social policy and education).
- The support to democratic progress should finally be seen as a transverse issue to be addressed through all Commission interventions.
- Concerning energy, the dialogue on the Medzamor [nuclear power station] issue and support of GoA's endeavours to diversify energy supply sources, promote energy efficiency, energy savings and the use of renewable energies, as well as to reduce the country's dependency on imported energy should be further continued.
- Concerning modalities of assistance, it was highly recommended to strengthen the link between policy dialogue and cooperation and to strengthen donor coordination.

<sup>30</sup> Available at [https://ec.europa.eu/europeaid/how/evaluation/evaluation\\_reports/2006/804\\_docs\\_en.htm](https://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/2006/804_docs_en.htm)



## 2.4. Methodology

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### *Overview*

This evaluation presents a major undertaking in three key respects: the scale of the funding covered, the timeframe covering eight years of operation, and the scope of work carried out across many sectors. The following briefly explains the approach taken to ensure the evaluation was able to provide evidence and analysis to answer the key questions.

The approach taken was to 'layer' the evaluation into four levels: a macro level, a sectoral analysis, a desk sample and a field sample. Each of these layers provided partial information, but together they comprised four perspectives on the whole picture.

The **macro** level focused on data, in particular two databases constructed for the evaluation. These were constructed from DG NEAR management sources CRIS and MIS and containing 82 data points across the 400+ contracts managed by the EUD in Armenia. The third database contained data on official development assistance (ODA) compiled by the OECD DAC. All these databases are described in more detail below. Together with additional indicators from sources such as the World Bank, these data were able to provide a high-level macro view of the EU's assistance to Armenia. Through the CRIS database, the evaluation team was also able to 'drill down' and examine individual and groups of contracts from data.

The **sectoral analysis** focused on assessing the changes taken place institutionally, legislatively and operationally across sectors such as human rights and civil society, 'people to people' and public administration reform. This analysis took a 'theory-based' approach. For each sector, the team reconstructed the intended logic of interventions from the strategic and programming documents to create logic models. These models illustrated the assumed logical progress from inputs contributing to outputs, outputs contribution to outcomes, outcomes contribution to specific and finally overall impacts. These logic models are reproduced in Annex 3<sup>31</sup>. Based on the study of documentation and interviews with key informants, the sectoral analysis was able to assess the extent to which the intended sectoral outcomes and impacts were achieved, and to identify contributions from EU-supported inputs (projects, programmes, dialogue and other interventions).

The **desk sample** was selected to provide a project level understanding of what happened, what the projects achieved, and what changes at the sectoral level these projects contributed to. The data for this level of analysis came from project documentation, including designs, final reports, evaluations and Results Oriented Monitoring (ROM) papers, as well as interviews (for some).

Finally, the **field sample** was a sub-set of the desk sample. It provided the basis on which to explore selected interventions in more detail, understanding not just the formal processes, but also the human dimensions – relationships, controversies, obstacles, practical strategies to overcome challenges, and so on – that are rarely contained in written reports.

### *Challenges and constraints*

Inevitably, there were many challenges on the way. Some were overcome and others continued to be constraints throughout the evaluation, limiting the evidence collection. This section highlights three of the most significant.

**i) Monitoring data.** The strategic framework for EU cooperation in Armenia was defined by the Country Strategy Paper 2007-2013 and the Sector Support Frameworks 2014-2017 (and 2017-2020). These strategic documents contained objectives and indicators. However, the indicators were only sometimes measurable, and no systematic data collection had been carried out over the period to provide data against the indicators. The Delegation's management reports, which provide key information on decision-making, progress and policy dialogue as well as some key performance indicators (not always relevant to the country strategies), was only

<sup>31</sup> Annex 3 (Volume II) Logic Models, p17-19

made available to the evaluation team in mid-2019, after the field work and in a highly redacted form. The evaluation team compensated for the absence of data against the strategic planning indicators by researching available indicators to provide useful *indications* of progress against the key strategic indicators.

**ii) Document availability.** Document collection for the sample projects was laborious and time-consuming both for the evaluation team and the EUD/DG NEAR. The ad hoc nature of document management in these organisations meant that key documents were often not available or required considerable efforts to track down. The evaluation team is very grateful to the tirelessness of the EUD staff in helping us find the necessary documents, but inevitably some remained missing or unavailable.

**iii) ROM coverage.** Data from the ROM reports was systematically available for only 16 projects – the ROMs carried out by the current ROM contractor (from 2015-2019). Earlier ROM reports were available in some cases, but it was not always known which projects had been subject to ROM review, and where the documents were. The sparse ROM collection meant that judgements of project efficiency and effectiveness in particular are hard to extrapolate from individual projects across a wider sector. ROM and other documents were not systematically available through the CRIS system – particularly final reports and evaluations – where gaps in the record proved frustrating.

### *Data Sources*

The quantitative macro analysis of EU support to Armenia was drawn from two main sources. The first was a database compiled from CRIS and MIS data – the evaluation’s “CRIS database”. The data for this was extracted from the Commission’s CRIS system in January 2019 and contained all contracts that were managed by the Armenia Delegation with a contract date between 2009 and 2017. This data was merged with MIS data to provide a EUR figure for disbursements by year. Any contract signed in 2009 or earlier with no disbursements during the evaluation period (2010-2017) was then excluded from the database. DAC purpose codes were used to analyse contracts by sector<sup>32</sup>. This database was used for analysis of actions delivered in Armenia and managed by the Delegation. It contained data on 402 contracts with a ‘plan’ value totaling EUR 467,420,262 and a ‘paid’ value of EUR 237,555,713.

The second database was built from data provided by the OECD DAC Development finance data<sup>33</sup>, a comprehensive database which contains the most extensive records available on official development assistance over at least 20 years. Most development actors, including the EU, contribute regularly making this perhaps the most authoritative source of development finance data available. This data was extracted in August/September 2019, so was mostly complete for the years up to 2017 (there is a considerable time lag in the reporting of development assistance to OECD, so even 2017 may not be complete). This database contained information about all official development assistance to Armenia for the period 2010 to 2017, broken down by donor and sector (major DAC 3-digit codes). Both commitments and disbursements are reported, so analysis is possible of the gaps and time lags between programming and actual delivery. The EU data reported to the OECD is for all EU institutions, so this is a comprehensive look at funding from the European Commission both via the Delegation and from Brussels, as well as the European Investment Bank (EIB) and other EU sources. For the years 2010 to 2017, the total value of EU institutions’ reported commitments was EUR 790 million, and disbursements reported amounted to EUR 687 million.

This database was used to analyze overall commitments and disbursements, donor coordination and coherence and alignment with country priorities<sup>34</sup>.

<sup>32</sup> Five digit DAC purpose codes were mostly available in the data extracted from CRIS. In the cases where there was no DAC code, the evaluation team allocated a code on the basis of the project title and the ‘sector code’ field. A 3-digit DAC code was parsed from the 5-digit code into an additional column. See <http://www.oecd.org/dac/stats/dacandcrscodelists.htm> .

<sup>33</sup> See [www.oecd.org/dac/financing-sustainable-development/development-finance-data/](http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/)

<sup>34</sup> Where values were available only as USD, they have been converted to the equivalent EUR value at the fixed current rate of 0.91. No attempt was made to adjust for exchange rate fluctuations and other variables.

## 3. Implementation state of play (results)

### 3.1. Armenia – context and trends

#### 3.1.1. Background and context

For the purpose of this evaluation, the two short decades from 2002 to 2019 in Armenia can be most usefully divided into four contrasting periods. From 2002 until 2007, the country experienced strong economic growth and appeared to be heading towards upper middle-income status.

The global financial crisis from 2007-2008 hit Armenia hard, with both reductions in its own economic performance as well as reduction of remittances from workers abroad. Financial support from the EU among others assisted Armenia to recover relatively quickly. The period 2008–2013 was characterised by this recovery, as well as preparations to sign an Association Agreement (AA) and Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU.

In late 2013, Armenia made the decision not to go ahead with the signing of the Association Agreement, but instead to join the Eurasian Economic Union, which was then initiated by the Russian Federation. This sudden turnaround prompted a period of uncertainty on EU-Armenia relations, and coincided with turmoil in Ukraine and subsequent sanctions imposed by the EU and the US on the Russian Federation. At the same time, a fall in the value of the Rouble reduced the value of remittances from the half million Armenian migrants in Russia<sup>35</sup>, increasing poverty rates<sup>36</sup>.

Figure 3: Map of Armenia (Source/image credit: RFERL)



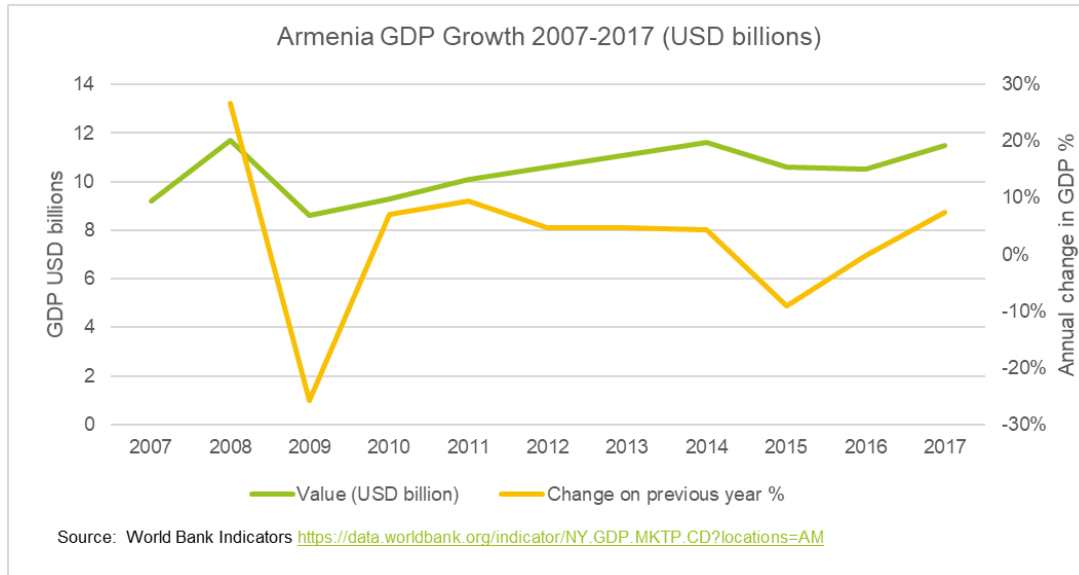
The turmoil of this third period prompted popular protests, resulting in the Velvet Revolution of spring 2018 and in the end of the government of Serzh Sargsyan. His party, the Republican Party of Armenia, had been in power since 1999. Democratic elections in 2018 led to the formation of Prime Minister Nikol Pashinyan's new Government, where Civil Contract Party holds a majority. Despite the political and social uncertainty since 2016, the economy is nevertheless showing a marked improvement (GDP growth in 2017 was 7.5%).

<sup>36</sup> See for example, <https://data.worldbank.org/topic/poverty?end=2017&locations=AM&start=2010> : the poverty headcount ratio increased between 2012 and 2014 from 1.6% to 2.3%.

The economic performance of Armenia over the evaluation period was rather unstable with an average growth of the Gross Domestic Product (GDP) of 3.1% in the 2007-17 period. With an expected GDP growth of 4.5% and a 3.4% (year on year) achieved in the first quarter of 2019, there seems to be more stability and growth<sup>37</sup>.

Figure 4: GDP growth in Armenia (2007-2017)

Armenian exports to the EU declined between 2011 and 2013, then recovered from 2014 onwards. Conversely,



EU exports to Armenia grew until 2014, then declined until 2016. In 2017, EU exports rose strongly<sup>38</sup>. The composition of exports remained stable, consisting mostly of base metals and minerals. By contrast, national production figures show that there has been a diversification away from both agriculture and industry towards services<sup>39</sup>.

The Constitution of Armenia was amended in 2015, marking a change from a presidential to a parliamentary system of government. The new constitution improved the situation regarding human rights and checks and balances<sup>40,41</sup>. Among the legislation introduced to comply with the revised constitution, a new electoral code improved the fairness of elections.

The conflict in Nagorno Karabakh has been a persistent feature of Armenian politics, society and economy notably before and after Armenia's independence from the former Soviet Union. The consequences of the conflict for Armenian development prospects have been profound. Its borders with Azerbaijan and Turkey are closed, thus trade routes can only go north to Georgia or south to Iran. As a land-locked country it is highly dependent on close links through these neighbours. Armenia hosts Russian military forces and is to some extent dependent on the Russian Federation for its security. Notably because of the unresolved conflict over Nagorno Karabakh, military expenditure is a sizeable proportion of the government budget<sup>42</sup>. Armenia therefore faces a complex balancing act to ensure its security, stability and prosperity, relying on Russian security guarantees, while at the same time closely cooperating with the EU.

Armenia's population has been facing a severe decline to 2011, mostly as a result of (male) emigration and so-called 'circular' labour migration. The population has increased somewhat in recent years, most likely as a result of returning migrants for whom finding work abroad was becoming more difficult and less lucrative following the devaluation of the Rouble. Nevertheless, Armenia had an estimated 937,000 migrants abroad in 2015<sup>43</sup>,

<sup>37</sup> Annex 9 (Volume III) p201, Section 6.2 Key performance in trade and economic growth

<sup>38</sup> Annex 9 (Volume III) p201, Section 6.2 Key performance in trade and economic growth

<sup>39</sup> Annex 9 (Volume III) p201, Section 6.3 Sector background

<sup>40</sup> [http://www.venice.coe.int/webforms/documents/?pdf=CDL-AD\(2015\)037-e](http://www.venice.coe.int/webforms/documents/?pdf=CDL-AD(2015)037-e)

<sup>41</sup> [http://www.venice.coe.int/webforms/documents/?pdf=CDL-AD\(2015\)038-e](http://www.venice.coe.int/webforms/documents/?pdf=CDL-AD(2015)038-e)

<sup>42</sup> 4.2% of GDP in 2010, rising to 4.8% of GDP by 2018 according to SIPRI.org

<sup>43</sup> Source: UN DESA (2015) quoted in OECD 2017, see EQ 11 in Annex 9 (Volume III) for details.



compared to a total domestic population of 3 million. The issue of labour migration is high on the domestic policy agenda.

Armenia is a signatory to key international agreements related to the protection of women's rights and the elimination of discrimination against women<sup>44</sup>. In 2013, the country adopted the "*Law of the Republic of Armenia on provision of equal rights and equal opportunities for women and men*"<sup>45</sup>. This law regulates the issue of ensuring equal rights and equal opportunities to women and men. The adoption of this law was followed by an aggressive campaign against the concept of "gender"<sup>46</sup>. The word gender was ill understood or deliberately misrepresented as "propaganda for sex change, paedophilia, bestiality, and homosexuality" – all of which was blended together<sup>47</sup>.

During the period covered by this evaluation, the country made some critical progress in the efforts to combat domestic and gender-based violence. This included the 2011-2015 Gender Policy Strategic Programme and the 2011-2015 National Action Plan on Combating Gender-Based Violence. In 2017, Armenia adopted a law on prevention of violence within the family, the so-called "law on domestic violence"<sup>48</sup>.

Armenia faces serious manifestations of gender-based violence, including sex trafficking, rape, and sexual harassment, along with high rates of sex-selective abortion and domestic violence<sup>49</sup>. Sixty percent of surveyed women had experienced domestic violence during their lifetimes<sup>50</sup>. Armenia has the third highest level of birth masculinity observed globally<sup>51</sup>.

Only 53% of women ages 15–64 participate in the labour market, 18% lower than the share among men<sup>52</sup>. Women are in a majority of the population because of male labour migration<sup>53</sup>. More and more are single mothers and sole breadwinners for their children and elderly parents. Unequal access to career opportunities and certain employment areas results in a segregated labour market. This in turn makes for a significant gender pay gap: women earn 36% less than men<sup>54</sup> (in the EU it is 16%)<sup>55</sup>.

Throughout the period 2010-2017, politics in Armenia was male-dominated. In 2013, there were fewer than 2% of female community heads; around 12% female local council members (in 2016); 18% of National Assembly members were women; 6% of Government Ministers and 3.5% of Deputy Ministers; no female governors, and

<sup>44</sup> <https://www.un.org/womenwatch/daw/Review/responses/ARMENIA-English.pdf>

<sup>45</sup> <http://www.un.am/up/file/Law-gender-equality.pdf>

<sup>46</sup> Background information: Newly established ultra-nationalist groups began a campaign against the Gender Equality Law, fanning the flames. For this they used social media, particularly Facebook, as their main platform, posting articles and videos (mostly in Russian) of suspicious origin and content. Also, besides hate speech, they started attacking specific defenders of women's human rights – who had publicly expressed their concern about the growing hysteria surrounding the issue – posting their pictures and awarding them a mock «Prominent Gender of Armenia» prize. The ultra-nationalists claim that the law's definition of gender is «ambiguous and goes beyond traditional legal perceptions of the equality of men and women». To spread hate and fear in society, these groups are manipulating the wording of the law, misrepresenting the meaning of «gender equality». Women's rights defenders are called «traitors of their country», «destroyers of families», a «threat to Armenian values», and accessories to the sexual abuse of minors. Such views are reinforced by the mass media, especially TV, changing the general public's attitudes towards NGOs working on gender-related issues. Now, many people in Armenia use the word «gender» to describe anything perverted and sinful – anything that will undermine traditional Armenian values and families

<sup>47</sup> Anti-Gender Movements on the Rise? Strategizing for Gender Equality in Central and Eastern Europe, Heinrich Böll Foundation, 2015

<sup>48</sup> The "law on prevention of violence within the family, protection of victims of violence within the family, and restoration of peace in the family" entered into force on 31 January 2018

<sup>49</sup> <https://rm.coe.int/gap-analysis-armenian-law-eng/168075bac2>

<sup>50</sup> [https://www.womensupportcenter.org/assets/PDF%20publications/ABORTION-POLICY\\_ENG\\_SPREAD\\_05122017.pdf](https://www.womensupportcenter.org/assets/PDF%20publications/ABORTION-POLICY_ENG_SPREAD_05122017.pdf)

<sup>51</sup> Guilмото (2013). Sex Imbalances at Birth in Armenia: Demographic Evidence and Analysis

<sup>52</sup> Background information: Men participate in the labour force at a higher rate than women (71% of men, 53% of women). 47% of women compared to 28% of men are economically inactive (<https://www.armstat.am/en/?nid=82&id=1976>).

<sup>53</sup> Background information: Nearly 1 million people have migrated from Armenia since 1991; the vast majority of these migrants are men. Female-headed households constitute about 27% of Armenian households

<sup>54</sup> UNFPA's "Diagnostic Study on Discrimination against Women in Armenia 2015-2016"

<sup>55</sup> Note: It shall be mentioned that difference of average nominal wages (earnings) of women and men decreased by 7.2 percentage points over the ten years /2006-2016/. In 2016 the women's earnings amounted to 66.4% of men's earnings, e.g. gender pay gap is amounted 33.6%.

(Source: Women and Men in Armenia - 2017, Labour statistics, NSS RA)

just 10% of vice-governors<sup>56</sup>. Women were also underrepresented in the legal system: 79% of judges were male, 21% female, and only 11% of members of the Constitutional Court were women<sup>57</sup>.

In energy, Armenia depended on nuclear power for 30-50% of its needs (depending partially on the ability to purchase nuclear fuel); hydro-electric power for 20-40%, and natural gas thermal plants which provided the remainder. The country was heavily dependent on imports of Russian natural gas, limiting energy cooperation with the EU.

In terms of transport and cross-border access, as well as being landlocked, Armenia was disadvantaged by the fact that only two of its four international borders are open. In 2018, Armenia ranked a poor 116 among 160 economies worldwide in the Logistics Performance Index (LPI)<sup>58</sup>. Freight turnover increased by 42% on its 2010 value, 3075.8 million tons/km to 4382.8 tons/km in 2018<sup>59</sup>. The main issues in the transport sector concerned the lack of roads in good technical condition; road safety; existence of only one key railway connection, and a lack of developed multimodal transport and logistics services.

There were a number of key environmental challenges, including environmental pollution, water pollution and overuse of existing water resources, as well as the environmental damage caused by mining and mining pollution. Deforestation was a problem, as was climate change and the threat to mountain ecosystems, and impact on water supplies. At the start of the evaluation period, there were poor standards in household solid waste and industrial waste management, weak environmental governance and issues with implementation and enforcement of law.

### 3.1.2. Armenia Government Priorities

The Government of Armenia has defined its priorities in a series of development strategies, from its early Poverty Reduction Strategy 2003, often reflected in the government programmes presented to the Armenian Parliament.

The key national development strategies for this evaluation and their priorities are:

- **Sustainable Development Program 2008**
  - Economic policy for ensuring sustainable and accelerated economic growth
  - Active social and income policy for vulnerable groups of population (including the poor)
  - Modernisation of governance system, including improved effectiveness of state governance and ensuring accelerated growth of the resource envelope at the disposal of the state
- **Armenia Development Strategy 2014-2025**
  - Economic development, including infrastructure, labour market and employment, SMEs, Agriculture and rural development, IT, Tourism, export promotion
  - Proportionate regional development
  - Poverty and inequality
  - Social protection
  - Human capital development, including healthcare, education, science and culture
  - Environmental protection
  - Establishing and strengthening a modern system of public administration, including public financial management

<sup>56</sup> <http://www.am.undp.org/content/armenia/en/home/projects/women-in-local-democracy-2--phase-2.html>

<sup>57</sup> Study on Gender profiles of the Eastern Partnership countries, Armenia, September 2013

<sup>58</sup> Logistics Performance Index, [www.lpi.worldbank.org](http://www.lpi.worldbank.org)

<sup>59</sup> RA statistical Committee, Armstat, <https://www.armstat.am/en/?nid=12&id=05001>

In addition to these overall development strategies, government priorities are also established in the Government programmes (e.g. programme 2008-2012) which more or less mirror the priorities in the development strategies.

Specific sectoral strategies also define the reforms and developments for some areas, such as energy saving, transport, migration.

Both general and sector specific development strategies are usually the basis for donors, including the EU, on which to make their programming decisions.

### 3.2. International Assistance to Armenia 2007-2017

Over the period 2010 – 2017, disbursements of official development assistance (ODA) to Armenia totalled EUR 2.5 billion<sup>60</sup>, of which EU institutions were the single largest source (EU institutions include all EU funding instruments plus the European Investment Bank). The European Union and EU Member States together contributed 47% of all donor assistance. Of EU Member States, Germany and France were the two biggest individual contributors, with 12% and 6% respectively of the total donor contributions.

Figure 5: Donor assistance to Armenia 2010-2017

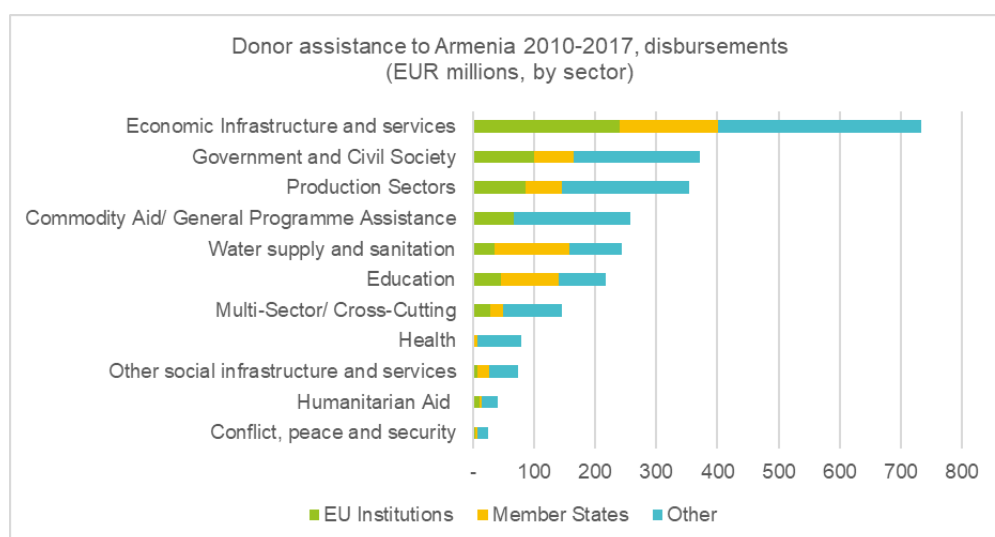


Table 4: Leading donors to Armenia

Leading donors to Armenia by disbursements (% , 2010-2017)	
EU Institutions	25%
EU Member States	22%
United States of America	14%
Asian Development Bank	10%
World Bank Group	9%
IMF	7%
Russian Federation	3%

There are sectoral trends in the data that show a rapid increase over the period in funding for economic infrastructure and services and production sectors, and a decline in humanitarian aid and conflict, peace and security funding. This would be consistent with Armenia's movement from a low to a high-middle income country and the greater capacity of the state to provide social and health assistance for its citizens. However, Armenia

<sup>60</sup> All figures derived from OECD DAC ODA data extracted September 2019, converted to EUR at current (Sep 2019) exchange rates.

is still confronted with a conflict situation in Nagorno Karabakh, so it is perhaps surprising to see small and declining funds for peace and security from the international community. Official development assistance is of importance to Armenia but, as its economy is growing, the significance is somewhat decreasing. In 2010, ODA represented 3.5% of Gross National Income (GNI), which declined to just over 2% in 2017.

The sectoral analyses in this report provide more detail regarding donor assistance.

### 3.3. EU Assistance to Armenia 2010-2017

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#### 3.3.1. Political agreements and commitments

The legal base for EU cooperation with Armenia since 1999 was the Partnership and Cooperation Agreement (PCA), which provided a framework for political dialogue, committed the EU and Member States to support “Armenia's efforts to consolidate its democracy and to develop its economy and to complete the transition into a market economy”, and aimed “to promote trade and investment and harmonious economic relations [...] so to foster their sustainable economic development”.

This agreement endured as the primary political agreement until 2018, when it was replaced by a ‘Comprehensive and Enhanced Partnership Agreement’ (CEPA). It is therefore the primary legal basis for EU – Armenia cooperation for the period covered by this evaluation.

In policy terms, the EU's support to Armenia was conducted within the framework of the EU's European Neighbourhood Policy (ENP) from 2004. In 2009, the EU launched the Eastern Partnership, an initiative which aimed to establish Association Agreements and DCFTAs with all six (later just four) countries, including Armenia. This had the effect of focusing EU support for Armenia on preparations for signing these two agreements.

The Neighbourhood policy was reviewed in 2011 following the Arab Spring, and subsequently in 2015 partly in response to events in Armenia and Ukraine. The 2015 review identified a number of key issues that required a change in the EU's approach. These included the need for greater ownership of the process and EU assistance, more flexibility to respond, more effective approaches to promote good governance and justice reform, more attention to energy security and climate action and more attention to security sector reform<sup>61</sup>.

At country level, the EU and Armenia agreed in 2006 a joint action plan (EU – Armenia Action Plan 2006) for the practical implementation of the PCA. This action plan set out the following eight priorities, though with no timeframe for overall implementation:

- **Priority area 1:** Strengthening of democratic structures, of the rule of law, including reform of the judiciary and combat of fraud and corruption.
- **Priority area 2:** Strengthening of respect for human rights and fundamental freedoms, in compliance with international commitments of Armenia (PCA, CoE, OSCE, UN).
- **Priority area 3:** Encourage further economic development, enhance poverty reduction efforts and social cohesion, thereby contributing to the long-term objective of sustainable development, including the protection of the environment.
- **Priority area 4:** Further improvement of investment climate and strengthening of private sector-led growth.
- **Priority area 5:** Further convergence of economic legislation and administrative practices.
- **Priority area 6:** Development of an energy strategy, including an early decommissioning of the Medzamor Nuclear Power Plant (MNPP).
- **Priority area 7:** Contribute to a peaceful solution of the Nagorno-Karabakh conflict.

<sup>61</sup> [http://eeas.europa.eu/archives/docs/enp/documents/2015/151118\\_joint-communication\\_review-of-the-enp\\_en.pdf](http://eeas.europa.eu/archives/docs/enp/documents/2015/151118_joint-communication_review-of-the-enp_en.pdf)



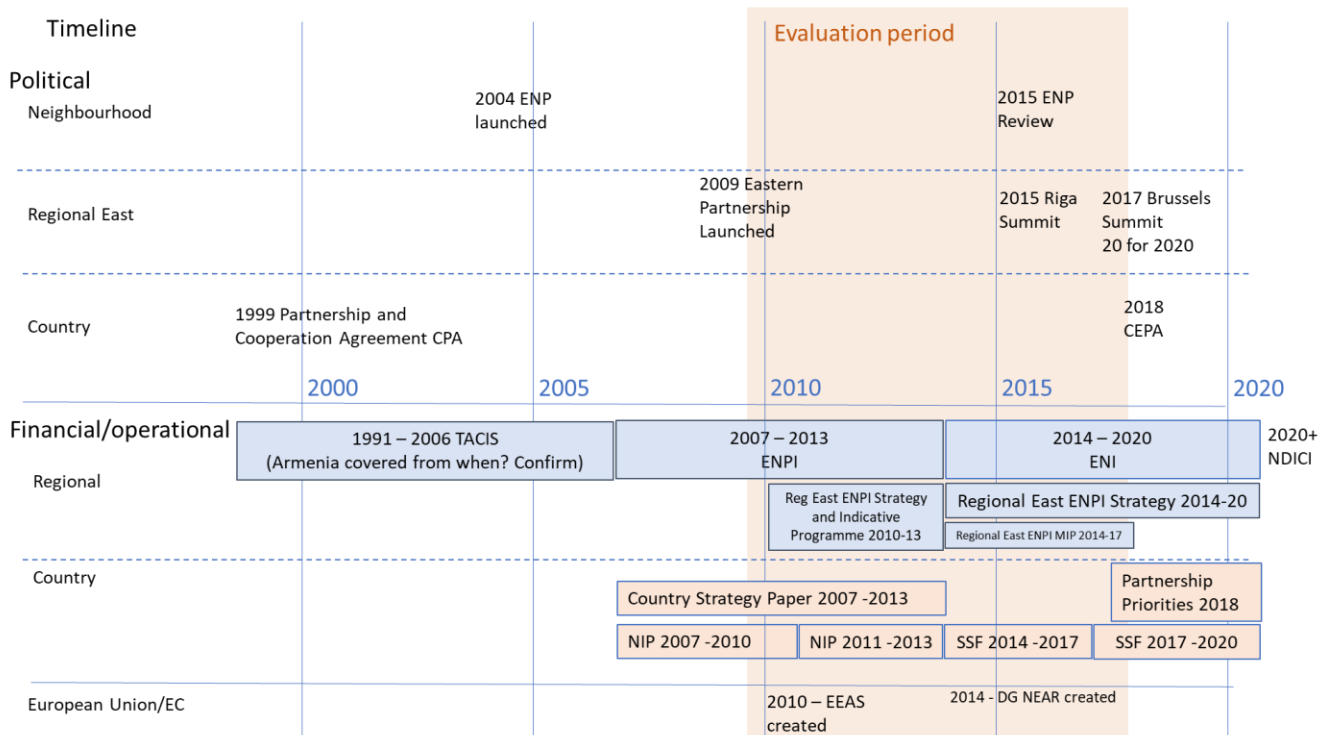
- **Priority area 8:** Enhanced efforts in the field of regional cooperation.

In its Country Strategy Paper for Armenia (2007-2013), the EU set out its approach to supporting the implementation of the Joint Action Plan.

In 2014, European Commission responsibility for cooperation and financial assistance to Armenia moved from the Directorate General for Development and Relations with ACP States to the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR).

The overall picture of EU support for Armenia is summarised in the figure below.

Figure 6: Overall EU support to Armenia



### 3.3.2. Sector specific instruments

The EU provided Armenia with market access under the **GSP+**<sup>62</sup> from 1 January 2014 following Armenia’s rejection, in 2013 of the AA, including DCFTA. This provides additional tariff preferences to Armenia on exporting to the EU based on selected criteria including signature and implementation of 27 ILO labour and human rights standards and environmental agreements. As a result, 95% of total EU imports from Armenia entered the EU with zero duties in 2016, of which 35% entered under the GSP+ regime.

In 2011 the EU and the Republic of Armenia signed a **mobility partnership**<sup>63</sup> which aimed to “develop further their dialogue and cooperation on migration issues”, with particular emphasis on:

- Mobility, legal migration and integration
- Migration and development
- Fight against irregular immigration and trafficking in human beings, readmission, security of identity and travel documents, border management

<sup>62</sup> General Scheme of Preferences plus – a scheme under which lower middle and lower income countries have preferential customs duty rates on imports into the European Union. Armenia stands to lose its status in 2019 or 2020 as its wealth increases and no longer qualifies as a lower middle income country.

<sup>63</sup> Joint Declaration on a Mobility Partnership between the European Union and Armenia, Brussels, 6 October 2011 [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/international-affairs/global-approach-to-migration/specific-tools/docs/mobility\\_partnership\\_armenia\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/international-affairs/global-approach-to-migration/specific-tools/docs/mobility_partnership_armenia_en.pdf)

- Asylum and international protection

This agreement led to a number of EU-supported migration projects and initiatives in the next 2-3 years.

### 3.3.3. Dialogue and other instruments of influence

Within the framework of the 1999 Partnership and Cooperation Agreement, the Delegation of the European Union engaged in policy dialogue with the Government of Armenia more or less continuously over the evaluation period. This dialogue was structured according to priorities, mapped in the table below.

Table 5: Priority areas between the EUD and Armenia

2011	2012 - 2014	2015, 2016 <sup>64</sup>
<b>Priority Area 1:</b> Strengthening of Democratic structures and good governance	<b>Priority area 1:</b> Democratic structures and good governance	<b>Priority area 1:</b> Private sector development
<b>Priority Area 2:</b> Support to Regulatory Reform and Administrative Capacity Building	<b>Priority area 2:</b> Trade and investment, regulatory alignment and reform	<b>Priority area 2:</b> Public Administration Reform
	<b>Priority area 3:</b> Socio-economic reform and sustainable development	<b>Priority area 3:</b> Justice Sector Reform plus: Neighbourhood Investment Facility (NIF)

Consistent themes over the evaluation period are democracy and public sector capacity development. Notable changes in the themes of dialogue include the ending of dialogue on trade and investment, regulatory alignment and reform following the EEU accession in 2013 and 2014.

Dialogue was also conducted by the EEAS in Brussels – such as that for the **preparation of the CEPA**<sup>65</sup> – but this is outside the scope of the evaluation.

The Armenia-EU **Human Rights Dialogue** takes place once a year in either Brussels or Yerevan. While human rights – and particularly EU support for human rights in Armenia – is a theme for this evaluation, the evaluation team did not have access to the formal minutes from these meetings. This evaluation can only take note of the impact of this dialogue through evidence presented in interviews with interlocutors and indirect reports such as the press releases<sup>66</sup>.

There was a notable alignment between the topics of dialogue and the themes of EU financial assistance to Armenia, particularly in the areas which were beneficiaries of EU sector budget support programmes. *This is discussed in more detail in section 0 later in the report.*

The Comprehensive and Enhanced Partnership Agreement (CEPA) was signed in the margins of the Eastern Partnership Summit in Brussels in November 2017 and entered into provisional application on 1 June 2018. The structure of the agreement is similar to the Association Agreement, but the content is very different. The sectorial cooperation title of the CEPA covers 28 sectorial chapters ranging from energy and environment, economic dialogue, accounting and auditing, corporate governance, social policy, employment, taxation, public finances to cross-border and regional cooperation, **statistics**, transport, education and civil society. This agreement will profoundly influence future EU Armenia cooperation beyond the end of this evaluation's period of coverage (2010-2017).

<sup>64</sup> Source of data – evaluation team analysis of EU Delegation External Action Management Report.

<sup>65</sup> See [https://eeas.europa.eu/delegations/armenia/896/armenia-and-eu\\_en](https://eeas.europa.eu/delegations/armenia/896/armenia-and-eu_en)

<sup>66</sup> [https://eeas.europa.eu/headquarters/headquarters-homepage/27119/press-release-8th-human-rights-dialogue-between-european-union-and-armenia\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/27119/press-release-8th-human-rights-dialogue-between-european-union-and-armenia_en)

### 3.3.4. Financial Assistance

EU Financial Assistance for Armenia during the evaluation period has been accessed primarily through the European Neighbourhood and Partnership Instrument (ENPI) and its successor the European Neighbourhood Instrument (ENI). Additional instruments did provide funds, and a complete list of funding instruments is provided in Annex 5<sup>67</sup>. The Eastern Partnership Integration and Cooperation (EaPIC) programme<sup>68</sup> allocated around EUR 130 million of ENPI funds to countries and programmes under the principle of ‘more for more’, rewarding good progress in key reforms.

The programming structure for this assistance was as follows:

- ENPI Country Strategy Paper 2007-2013
  - National Indicative programme 2007-2010
  - National Indicative programme 2007-2010
- Single Support Framework 2014-2017
- Single Support Framework 2018-2020

As evident, there was a gap in the preparation of overall strategic direction for EU support to Armenia between 2013 and 2018. In 2013 both sides agreed on the need to revise the EU-Armenia Action Plan (ENPI Country Strategy 2007-2013) but it was only in 2018 and the signature of the ‘Partnership Priorities Between the European Union and Armenia’ document that the overall strategic direction of EU support for Armenia was agreed with the Government of Armenia.

From 2007 to 2020 between EUR 540 million and 600 million was been indicatively allocated through country level programmes to support Armenia. Of this, a total of EUR 295,175,000 has been allocated through the Annual Action Programmes 2010 - 2017<sup>69</sup>.

At country level, the total assistance planned through contracts assigned to the EUD in Armenia was EUR 467.4 million, and the total assistance actually paid, also through contracts assigned to the EUD in Armenia was EUR 237.6 million over the period 2010-2018. Of this total amount, some EUR 181 million originated from the ENPI instrument, and EUR 16.3 million from the ENI instrument<sup>70</sup>.

Using OECD DAC ODA figures, the EU contribution to Armenia (2010-2017) totalled EUR 625 million<sup>71</sup>. This figure is the total disbursed by EU institutions, including, for example, the European Investment Bank; it includes macro-financial assistance and loans as well as programme funding. The EU’s share of ODA for Armenia has been increasing steadily, to roughly one third of all ODA which Armenia receives.

<sup>67</sup> Annex 5 (Volume II), p22-24: EU Funding Instruments

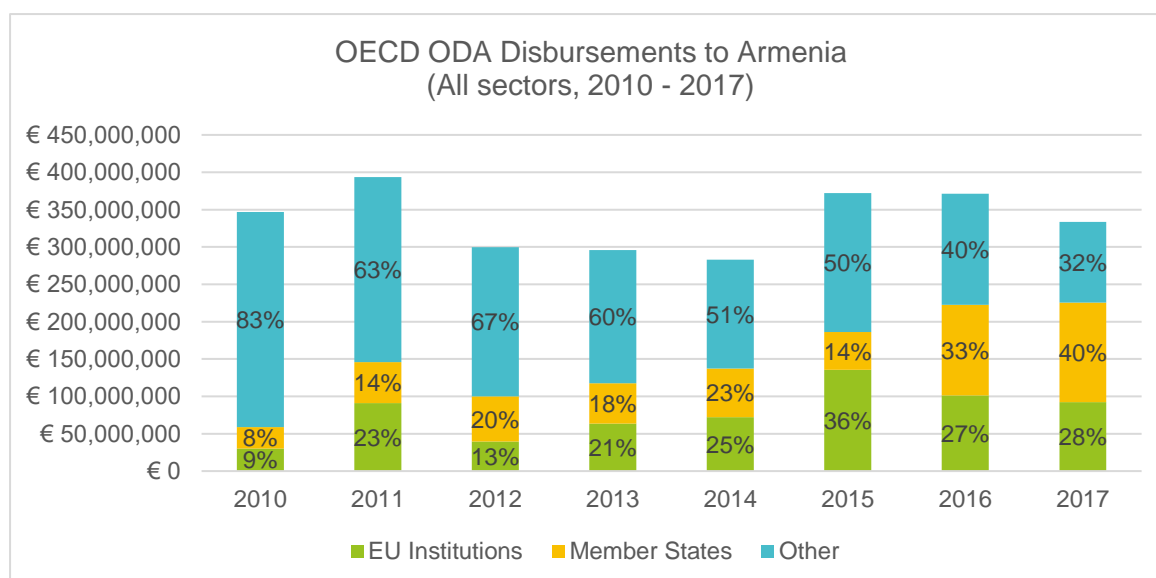
<sup>68</sup> See [https://europa.eu/rapid/press-release\\_MEMO-12-491\\_en.htm?locale=en](https://europa.eu/rapid/press-release_MEMO-12-491_en.htm?locale=en)

<sup>69</sup> AAPs and action fiches listed on [https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/armenia\\_en](https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/armenia_en)

<sup>70</sup> Calculations from the evaluation’s CRIS database

<sup>71</sup> Using OECD DAC as a source, ‘EU Institutions’ as the donor, 2010-2017 inclusive, USD – EUR x-rate 0.91

Figure 7: OECD ODA Disbursements to Armenia



In absolute terms, the total amount of ODA has remained more or less constant over the evaluation period. However, ODA as a percentage of GNI has declined somewhat, meaning that Armenia is less dependent on foreign aid. In 2017, the value of ODA was equivalent to around 11% of the total government budget<sup>72</sup>, of which EU Institutions comprised over a quarter.

Table 6: Total disbursements by EU institutions over the evaluation period

Financing Instrument	Programming Documents	Indicative bilateral allocation (EUR)
ENPI (2007-2013)		
	NIP 2007 – 2010	98.4 million
	NIP 2011 – 2013	157.3 million
<b>TOTAL ENPI</b>		<b>255.7 million</b>
ENI (2014 – 2020)		252 million to 308 million
	SSF 2014 – 2017	140 million to 170 million
	SSF 2017 - 2020	144 million to 176 million
<b>Total Programmed</b>		<b>284-346 million</b>

Other EU Instruments from which funding was received in Armenia during Evaluation period included the European Instrument for Democracy and Human Rights (EIDHR) 2007-2013 and 2014-2020, the Instrument for Nuclear Safety Cooperation (INSC) (2014-2020), the IFS-RRM: Instrument for Stability – Rapid Reaction Mechanism and the DG NEAR Thematic Strategy (NEAR-TS). A full list with planned and disbursed amounts is given in Annex 5<sup>73</sup>.

### 3.3.5. Total EU funding and trends

EU institutions and EU Member States considerably increased their funding to Armenia in EUR terms over the last ten years, though with a sharp fall in EU institutions' disbursements following 2015.

<sup>72</sup> Author calculations; sources: OECD DAC data on ODA; ARMSTAT Government Finance report, x-rates current 2019 [https://www.armstat.am/file/article/finansner\\_2018\\_1.pdf](https://www.armstat.am/file/article/finansner_2018_1.pdf)

<sup>73</sup> Annex 5 (Volume II), p22-24: EU Funding Instruments

Figure 8: EU Aid to Armenia (EUR disbursements)

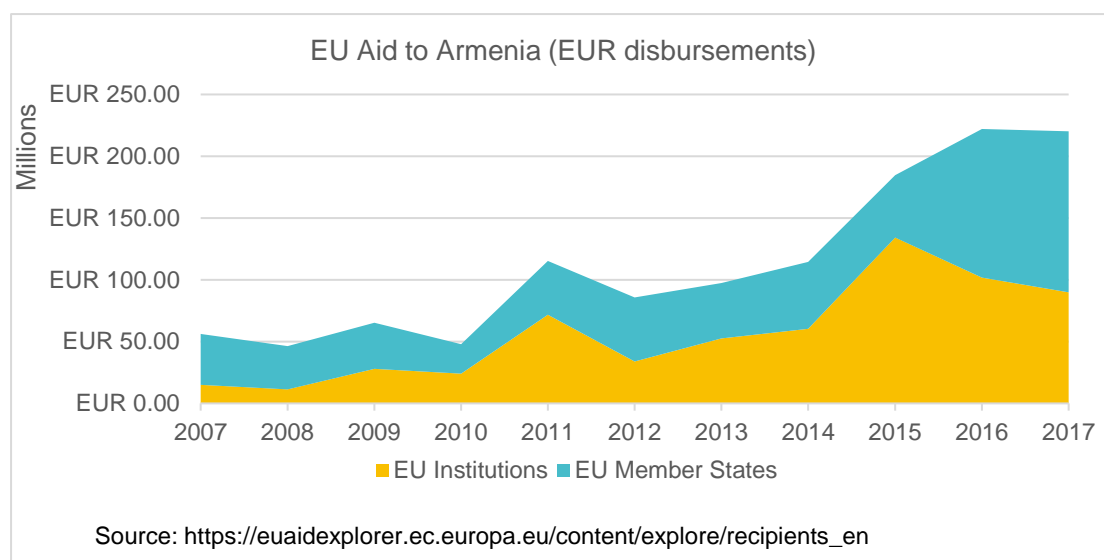


Table 7: Breakdown of planned and actual expenditure by EUD Armenia

Breakdown of planned and actual expenditures through contracts managed by the EUD Armenia 2010-2018 (CRIS data as of end 2018)			
Instrument	Sum of Total Paid amount 2010-2017 (MIS, EUR)	Sum of Planned amount (CRIS, EUR)	Sum of Paid (CRIS, EUR)
CSO-LA	-	7,800	7,800
DCI-NSA	9,870	9,870	9,870
EIDHR	-	9,630	9,630
ENI	27,263,465	104,860,847	16,306,457
ENPI	201,755,294	319,128,748	180,689,173
IFS-RRM	192,925	1,992,925	1,992,925
INSC	-	1,550,220	1,174,387
NEAR-TS	23,314,149	29,172,304	26,677,553
TACIS	1,963,364	5,687,917	5,687,917
not known	2,387,887	-	-
<b>Grand Total</b>	<b>256,886,955</b>	<b>462,420,262</b>	<b>232,555,713</b>

### 3.3.6. Overview of results

The range of programmes covered by this evaluation is large, and there are many projects and actions which it cannot take into account given the limitations of the study. However, this section highlights very briefly some of the key results achieved over the period, by sector. Each sector has a dedicated Section in Annex 9, in which the results are considered in rather more depth (see *Volume III of this report*).

#### Democratic Institutions, Rule of Law and Reform of the Judiciary

- Improvement in prison conditions
- Creation of a probation service offering alternative sentences to incarceration
- Improvements in the legal and regulatory framework for the judiciary

## **Public Administration Reform and Public Financial Management**

- Policy advice in support of the AA/DCFTA
- Stronger institutions managing public finance
- Greater accountability and oversight of public financial management
- Improved statistical capacities
- Moderate assistance to civil service reform

## **Human Rights and Civil Society**

- Strengthened capacities of CSOs
- More engagement between CSOs and government at national and local levels
- Stronger human rights legislation and institutions

## **Trade and Economic Development**

- Improved terms of trade with the EU, reduction in non-tariff barriers
- Conclusion of the Comprehensive and Enhanced Partnership Agreement (CEPA)
- Improvements in business enabling environment

## **Connectivity**

- Increased investment in connectivity infrastructure – roads,
- Improved border crossing times
- Support to energy efficiency and environmental protection

## **People to People**

- Improvements to the secondary vocational education system
- Signing of mobility partnership, visa facilitation and readmission agreements
- Improved migration management

## 4. Responses to evaluation questions (findings)

### 4.1. EQ 1 – Relevance

**EQ 1 Are the objectives and interventions of the EU assistance consistent with EU priorities as set out in the EU external action policy framework now, and as they evolved over the time period?**

*Assessment against Judgement Criteria (JC)*

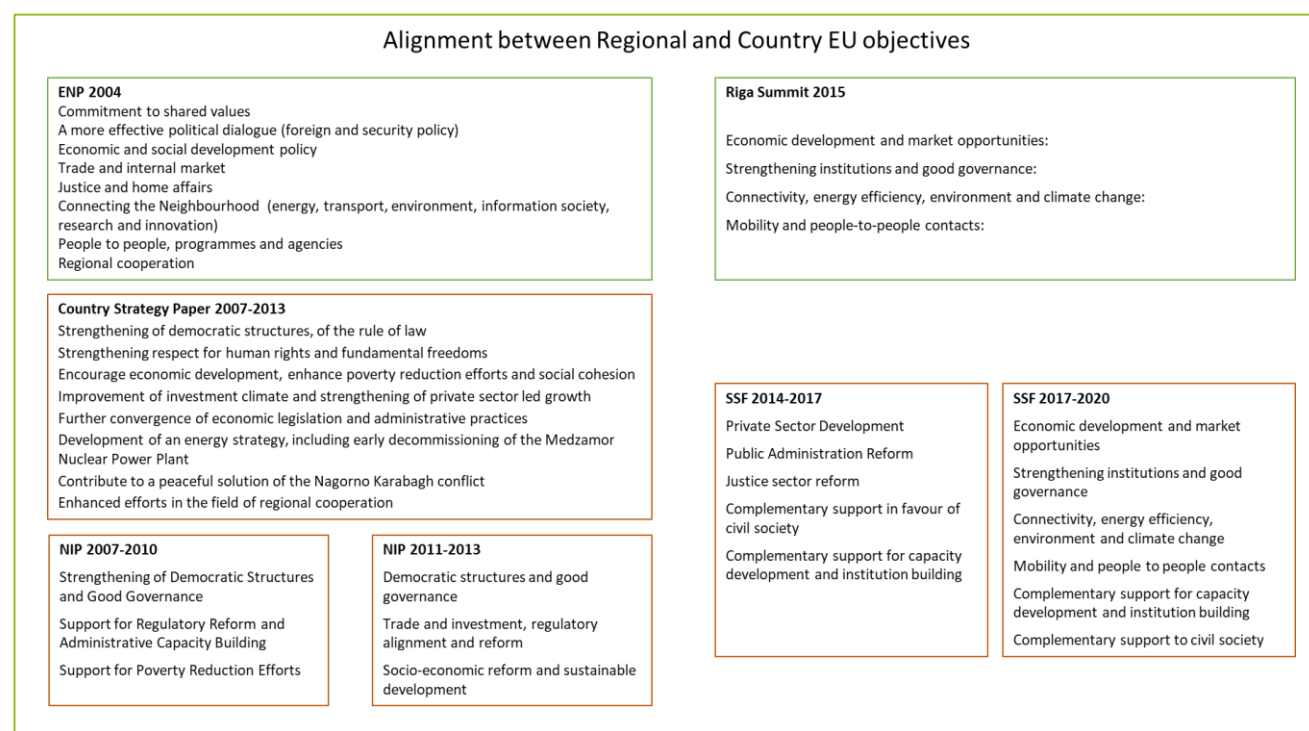
**JC 1.1** *The overall objectives and result areas of the EU financial assistance are aligned with EU policy and strategic objectives at Neighbourhood East and ENP levels*

Overall, there was a strong alignment between the policy and strategic objectives defined by the European Neighbourhood Policy and Eastern Partnership, and EU cooperation and financial assistance in Armenia. Inevitably, over the period covered by this evaluation, there was an evolution and a change of emphasis which responded to both local events and changes in EU policy and strategic objectives.

Timing of initiatives and policy changes created challenges; for example, the launch of the Eastern Partnership in 2009 was in the middle of the period covered by the EU's Country Strategy Paper for Armenia (2007-2013). The Eastern Partnership's vision of creating a common space among the countries of the eastern neighbourhood led to the prioritisation of "Trade and investment, regulatory alignment and reform political and trade agreements" in the NIP for 2011-2013, and consequent increased support for policy advice through projects such as the EU Advisory Group.

The 2015 Riga Summit and the Review of the ENP happened during the implementation phase of the SSF 2014-2017, leaving the SSF somewhat out of step with the Riga priorities (see figure below). These regional policy changes create administrative challenges to change country level programming to respond rapidly. At the same time, the complexity of the programming process means that responses to policy changes can only happen gradually. The Riga summit of 2015 led to a much closer alignment of EUD programming with regional policy than had been seen earlier, with the SSF 2017-2020 priorities completely aligned and even the Delegation operations team itself re-organising around the Riga priorities.

Figure 9: Alignment between regional and country EU objectives





**JC 1.2** *The overall objectives and result areas of the EU support strategy are supportive of national policy and development objectives and priorities of the Government of Armenia, reflecting the needs of the population*

EU financial assistance was programmed in close reference to the national strategic planning documents and was generally in line with some of the national priorities. There were, however, inevitably some areas where there were differences in political priorities.

There was strong alignment mostly in areas such as education and employment, regional development and agriculture, connectivity and, to some extent, public administration reform.

Most prominent examples of where there were differences included judicial reform and anti-corruption. Here there were large gaps between the statements of intent and the extent to which the planned measures were implemented. This can be attributed either to a lack of willingness, or to the absence of adequate structures and authority capable of implementing the reforms or both<sup>74</sup>.

As an example, the EU Advisory Group provided technical advice to the Government of Armenia in preparation for the signing of the Association Agreement and DCFTA. This was in line with the Government's then stated aim of closer relations with the EU. The project provided advice but did not sufficiently focus on building the Government of Armenia's own policy research and advisory capacities<sup>75</sup>, and therefore could not be seen as completely in line with the Government's objectives and priorities. Nevertheless, it is likely that the experience of preparation for the AA/DCFTA helped with a fairly rapid preparation and signing of the CEPA in 2018.

There are also areas in which there is apparent alignment – at least in the headline topic – but the political priorities are rather different, and implementation can expose differences of expectations. In the field of migration, for example, the EU and Armenia signed a mobility partnership in 2011. This led to extensive cooperation on the management of migration. However, the EU's over-riding concern was the management of regular migration and in particular a focus on Armenia accepting returnees under a readmission agreement (typically failed asylum seekers or other migrants with Armenian citizenship who had no legal right to remain in the EU). Armenia, by contrast, had two concerns – the popular policy for visa liberalisation and making travel easier to the EU for Armenian citizens, and to find ways of limiting the punishing labour migration that was damaging the economy. While the objectives were quite different, the topic is the same and the mechanisms for achieving the objectives had a strong area of overlap – the strengthening of the capacities for the authorities to manage migration.

One critical area identified in the 2007-2013 EU Country Strategy for Armenia seemed to have received rather little attention, despite its importance. A high priority for the country is the resolution of the Nagorno Karabakh conflict. This conflict has cost many lives<sup>76</sup>, and created hundreds of thousands of displaced people. As a consequence of the conflict, borders with both Azerbaijan and Turkey are closed, restricting freedom of movement and trade between neighbours. While the Country Strategy has (priority 7) "Contribute to a peaceful solution of the Nagorno-Karabakh conflict", this was not significantly reflected in its programming as there was no decisive progress in the settlement of the conflict. Some EUR 4.3 million<sup>77</sup> (0.7%) has been invested by the EU in peace and security.

**JC 1.3** *The EU support strategy responded flexibly to changes in both broader ENP objectives (e.g. CEPA), and circumstances and priorities within the country.*

*and*

<sup>74</sup> See, for example, the Review of the Sector Support Programme, for "Support to Justice Reform in Armenia 'Phase II'" Project Armenia, September 2016 Third Tranche Review, Framework Contract EuropeAid/132633/C/SER/Multi

<sup>75</sup> See for example, Final Evaluation of the EU Advisory Group to the Republic of Armenia Phase III, Evaluation Report, December 2014, FWC COM 2011, Lot 1 Studies and Technical Assistance in all sectors, EuropeAid/129783/C/SER/multi

<sup>76</sup> In 2011 the International Crisis Group reported an estimated 3,000 fatalities until that date.

<https://web.archive.org/web/20160520105841/http://www.crisisgroup.org/~media/Files/europe/caucasus/B60%20Armenia%20and%20Azerbaijan%20---%20Preventing%20War.pdf>

<sup>77</sup> OECD DAC disbursements by EU Institutions on Conflict, Peace and Security, DAC code 152 2010-2017 inclusive

**JC 1.4 EU actual programme implementation 2010-2017 is in line with EU strategy and policy, as it evolved over time.**

Reviewing the period from 2007 to 2017 we see a generally rapid response of the EU to current situations and policy changes, but a lag of 3-4 years for actual disbursement of assistance to reflect these policy developments.

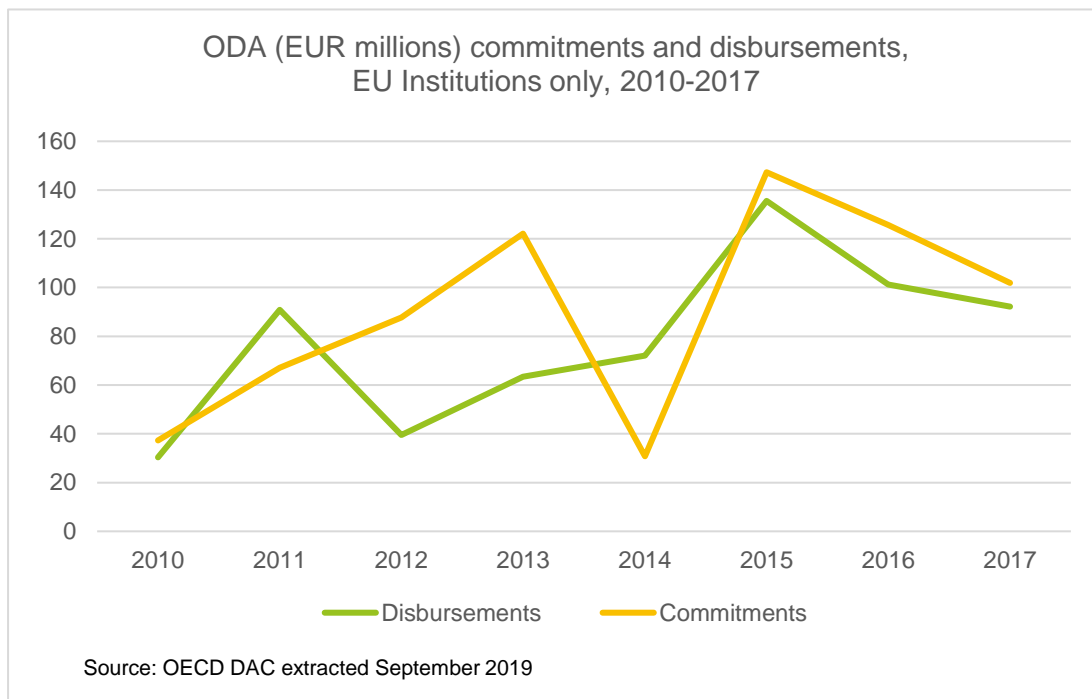
The EU support strategy in Armenia was defined by a country-level assistance strategy for the period from 2008 to 2013, and this guided the two National Indicative Programmes (2008-2011 and 2011-2013). Following the change of responsibility for Armenia from DG DEVCO to DG NEAR, the EUD switched to the system of Single Support Frameworks, which set out the programming priorities for a 3- or 4-year period (SSF 2014 – 2017, SSF 2018 – 2020). There was no longer-term strategy to guide the programming process.

Within these overall guiding documents, there were key moments when the EUD had to respond to critical events and policy changes.

In 2007, the EU responded to the global financial crisis by promising Armenia – which was suffering a severe recession<sup>78</sup> – general budget support to ease the fiscal gap. This budget support, however, was not disbursed until 2011, most likely reducing the utility of the contribution.

Armenia’s pivot away from the EU and towards the Eurasian Economic Union in 2013 and 2014 was the moment at which the EU had to fundamentally reassess its strategy towards the country. The reassessment of the strategy is seen in the level of commitments of EU funds, which fell 75% from EUR 120 million in 2013 to EUR 30 million in 2014. By contrast, disbursements rose 15% between 2013 and 2014, and almost doubling between 2014 and 2015. The actual disbursement of EU funds considerably lags – if not completely contradicts – the political and policy decisions. The slow pace of EU programming and allocation of funds is clearly a factor and suggests that greater flexibility might be needed in order for political messages to be clearly backed up with disbursements. This is perhaps a lesson that can be also transferred to events such as the 2018 revolution, in case the new government needs to be rapidly supported with funds as well as political approval.

Figure 10: ODA (EUR millions) commitments and disbursements EU institutions



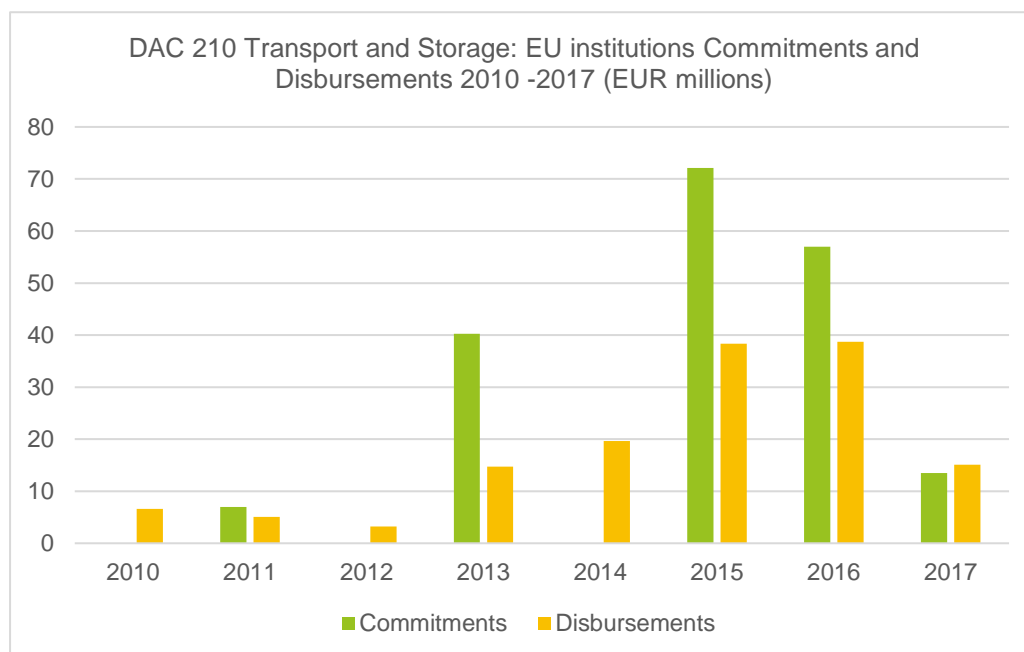
For programming between 2010 and 2014, there were four years between the CRIS decision (approving the Annual Action Programmes and Action Fiches) and the last year of contracting, indicating the conclusion of commitments under the programme (though not actual disbursement – which can be up to 3 or 4 years longer,

<sup>78</sup> GDP growth in 2009 was minus 14% <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=AM>

to the end of the contract). The long-time frame from programming to contracting can be longer than the period covered by the planning documents (NIPs and SSFs). This slow pace of disbursement of funds risks reducing the relevance of programmes as strategies and policies evolve, and events and trends change the situation on the ground.

A more positive example can be seen in 2015. Whether by design or not, the policy shift following the 2015 review of the Neighbourhood policy and the Riga summit increased the policy emphasis on the importance of infrastructure to connect countries and open up economies – the ‘connectivity’ agenda. We see a rapid response to this in the financial allocations in the transport sector, for example<sup>79</sup>. In 2010, just EUR 0.2 million of EUD managed contracts were for infrastructure, while in 2017 it had increased to EUR 19.1 million<sup>80</sup>.

Figure 11: DAC 210 Transport and Storage - Commitments and Disbursements



We also see a rapid response by the EUD in 2017 and 2018 to provide financial assistance to support the holding of free and fair elections. While the amounts of money were relatively modest, the political implications were profound.

Mapping actual EU expenditure against political commitments gives a rough indication of the extent to which the provision of EU assistance matched the policy goals. It needs to be borne in mind that some actions – such as support for legislative change – are considerably less expensive than others – such as infrastructure. So looking at planned and actual expenditures is only a rough guide to the match between strategy and action.

Expenditure is broadly in line with the aims of the 2007-2013 Country Strategy Paper. Substantial funding has been dedicated to strengthening democratic structures and rule of law (15130 legal and judicial development), strengthening respect for human rights and fundamental freedoms (15160 Human rights). ‘Other multisector’ includes programmes in regional development and public finance management. Perhaps the stand-out areas where investment is lower than could be expected is in decentralisation and support to sub-national government (15112) and anti-corruption (15113).

<sup>79</sup> The apparent 2017 decrease may be due to incomplete reporting for the final year of available data

<sup>80</sup> See section 4.10, response to EQ 10 Connectivity for more details

Figure 12: EU contracts in Armenia 2010-2017

DAC		no.	contracts	
codes	Description		planned (EUR)	paid (EUR)
15130	Legal and judicial development	32	49,883,866	30,959,857
311	Agriculture	24	39,533,369	29,116,056
430	Other Multisector	17	43,511,256	24,964,885
210	Transport & Storage	8	37,042,604	22,184,412
140	Water supply and sanitation	11	42,008,096	22,051,465
110	Education	22	21,627,062	21,241,541
15110	Public sector policy and administrative management	52	41,676,876	18,621,516
510	General Budget Support	2	18,480,000	18,389,109
15160	Human rights	41	26,977,128	12,511,357
230 - 235	Energy	8	25,605,497	9,002,787
15150	Democratic participation and civil society	29	12,117,936	7,700,556
321	Industry	14	25,227,527	5,807,061
122, 130	Health and population	7	5,692,507	4,871,631
220	Communications	28	5,316,485	4,248,487
15151	Elections	4	3,878,787	3,878,787
152	Conflict peace and security	3	3,598,339	3,542,168
16010	Social Protection	5	3,297,557	3,297,557
250	Business & Other Services	10	3,849,710	2,287,663
15170	Women's equality organisations and institutions	7	2,484,306	1,993,193
16062	Statistical capacity building	2	1,990,932	1,990,251
15111	Public finance management (PFM)	6	10,416,839	1,623,075
331	Trade Policies & Regulations	3	1,210,860	1,105,097
332	Tourism	2	980,000	672,317
15112	Decentralisation and support to subnational government	8	2,749,660	359,031
15180	Ending violence against women and girls	1	325,500	325,500
15153	Media and free flow of information	2	320,129	299,083
16020	Employment creation	3	13,235,965	222,837
410	General Environment Protection	2	261,704	213,595
15113	Anti-corruption organisations and institutions	2	194,131	194,131
16061	Culture and recreation	1	149,965	145,907
240	Banking & Financial Services	1	57,630	57,630
<b>Grand Total</b>		<b>357</b>	<b>443,702,224</b>	<b>253,878,542</b>

source: evaluation team CRIS database; excludes 910 Admin cost of donors, 998 unallocated and (blank) contracts

### Conclusion

EU assistance has been programmed in line with the EU's regional policies and country strategies. The policy framework has become more specific and focused over time, with much greater clarity coming following the Riga and Brussels summits in 2015 and 2017 respectively. While programming takes time, and implementation of programming in the form of contracts takes longer, there is clear evidence that the EU's financial assistance to Armenia is following the overall line of the relevant policies. Areas in which financial assistance does not appear to be fully in line with policy – such as anti-corruption – are affected more by the practical difficulties of financing effective actions than not following EU policy.

## 4.2. EQ 2 – Coherence, coordination and complementarity

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### **EQ 2 To what extent is there coherence and complementarity with other EU policies and interventions of other donors, especially of EU Member States?**

#### *Assessment against Judgement Criteria*

**JC 2.1** *The EU-Armenia cooperation is well coordinated, coherent and complementary to the strategies and programmes of the EU Member States and of the European Financial Institutions*

EU-Armenia cooperation considerably strengthened in coordination over the period under review. New mechanisms for coordination were introduced around 2015, and the EUD was reported to have become much more open in its communication with Member States<sup>81</sup>.

In the early part of the period covered by this evaluation, there were some coordination and coherence issues. An example is in the area of migration. The signing of the Mobility Partnership in 2011, Member States who were signatories to the agreement were invited to propose how they could help Armenia meet its obligations under the agreement. This led to a series of projects that were overlapping in scope and time and created difficulties with absorption capacities<sup>82</sup>.

The instrument which strengthened cooperation and most likely will lead to an improvement in coherence and complementarity, is the so-called 'Joint Analysis'<sup>83</sup> produced by the Development and Strategic Studies' project<sup>84</sup>. The Joint Analysis is a comprehensive assessment of Armenia's needs, existing donor contributions, and identifies gaps suitable for future donor support. This initiative is managed by a contractor working closely with the EUD and involves both studies as well as coordination activities such as a set of thematic coordination committees chaired by key donors in the sector (including EU Member States).

Since this initiative is relatively recent, the impact on EU assistance is likely to be felt only from 2018 onwards – after the period covered by this evaluation. It is important to note that the EUD did not have the staff capacity to be able to undertake effective donor coordination and this role had to be contracted to an external team.

**JC 2.2** *Mechanisms exist which provide adequate forum for planning and coordinating EU and other development assistance, led by the Government of Armenia*

Overall, Government-led donor coordination mechanisms were weak or non-existent. Government did have its strategic planning, and donors based their contributions on the published strategic plans. This strengthened alignment but did not exclude the possibility that more than one donor would fund the same priority, weakening coherence.

By 2018, the new central government – primarily the Office of Deputy Prime Minister – had not yet, by the time of this evaluation's field visit in May 2019, established a donor coordination function.

The mechanisms established by the EUD were functioning well for donor coordination, but the involvement – and particularly leadership – of the Government of Armenia was mostly missing in the period of reporting. Strong analysis and coordination activities by the 'Development and Strategic Studies' project<sup>85</sup> compensated in part for the absence of government leadership in donor coordination. At the same time, the project was intended to contribute to "Armenia's capacity for forward planning and strategic thinking, leading to a renewed approach in the design and implementation of development policies"<sup>86</sup>.

<sup>81</sup> Interview with Member States' embassies in Yerevan, 15/5/2019 and 17/5/2019

<sup>82</sup> see EQ 11 (Annex 9, Volume III) for more details

<sup>83</sup> Development partners' joint analysis of the situation in Armenia; endorsed Armenia development coordination thematic groups (draft - May 2018)

<sup>84</sup> CRIS contract 367644 signed 2015, project duration to Oct 2018, subsequently extended.

<sup>85</sup> CRIS contract 367644

<sup>86</sup> Project contract 367644 Terms of Reference 2014

Member states' representatives commented on the improvement to EUD-led donor coordination. However, they also noted that EU planning processes are highly complex and hard for even people working in the EU system to fully understand and follow. One said, gratefully, "our EU colleagues don't and shouldn't take for granted that we all know how the EU works".

The complexity of EU planning and programming processes is a key barrier to the involvement of other donors and in particular the Government of Armenia. The Government needs considerable technical advice and assistance from the EU in order to be able to participate fully in EU planning and programming processes.

**JC 2.3** *EU Member States present in Armenia align their assistance in close reference to EU policies and strategies, as well as GoA national strategies*

The new coordination mechanisms in place since around 2016 involve representatives of Member States as chairs of sectoral coordination committees as well as the Joint Analysis. Member States interviewed for this evaluation report that they are more confident that their assistance is aligned with EU strategies. The Joint Analysis provides Member States with highly useful information for identifying and developing their programmes. The Joint Analysis also maps which donors are active in which sectors, and so provides a useful reference for coordination.

Member States also provide assistance to Armenia – often in the form of Twinning projects – to greater legislative approximation with the EU acquis. Although, as one Member State pointed out, embassies were not always made aware – either by their capitals or the EU Delegation – when one of their own government agencies is involved in an EU-funded twinning project with the Government of Armenia, suggesting some gaps in the communication chain between the EU and Member States.

The sector analysis of Member States' disbursements to Armenia does not identify any sectors of assistance that are not priorities<sup>87</sup>. However, it may be surprising to see that higher education is the greatest beneficiary of Member State assistance.

As noted above, while the coordination mechanisms *for donors* during the evaluation period have improved, the Government of Armenia has largely been a passive player in these efforts to improve coordination. For greater alignment of donor assistance to Armenian priorities, the government would need to strengthen its donor coordination capabilities.

### *Conclusion*

The EU Delegation made substantial and effective efforts to improve donor coordination since 2015. Member States are more likely to programme their assistance in closer cooperation with the EU, and overall EU assistance is more coherent. The effects of this improved coordination will be made more tangible in the years after 2017. All-of-government support for donor coordination and alignment with national policies was weak and is a potential area for future EU support.

## **4.3. EQ 3 – EU Added Value**

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**EQ 3** **What is the added value of an EU level intervention compared to interventions by other donors, and to what extent is the EU visible in the country?**

### *Assessment against Judgement Criteria*

**JC 3.1** *The EU policy/political dialogue and the EU financial assistance components of the EU-Armenia cooperation are consistent, timely, complementary and mutually reinforcing*

<sup>87</sup> See Annex 2 (Volume II) Supplementary Data: p16 'Member State Assistance to Armenia 2007-2018- top 20 sector by disbursement'



EU policy dialogue is strongly aligned with EU financial assistance. The two aspects of EU cooperation complement each other well. There is evidence from interviews and reports that sector budget support programmes provide a platform and access for the EU to open policy dialogue on sectoral themes.

For areas where there is strong alignment between the EU and GoA and where the EU has a comparative advantage, such as vocational education and training or migration, dialogue is fruitful and leads to moderately rapid policy change. Areas such as human rights and justice reform are more difficult, and dialogue requires more efforts and sensitivity. Nevertheless, there is good evidence to show that the combination of dialogue and financial assistance yield much stronger results than either component on its own.

In public administration reform, dialogue was constrained by the absence of a central coordinating body for administration reform, rather than by any strong differences of opinion or values.

Differences of values are more apparent in human rights dialogue, in which the EU's values in standing up for fundamental freedoms was strongly countered by a traditionalist narrative in national discourse.

### **JC 3.2** *The Government of Armenia positively assesses the role of the EU in Armenia in supporting its national development agenda*

Interviews with Government of Armenia officials on the whole revealed strong support for the EU and its role in national development. The EU is most appreciated in the less contentious areas such as infrastructure, regional development, economic development and education reform.

In specific areas such as migration, the prospect of visa-free travel is a strong political motivator for Armenia. That the EU can both offer technical knowledge of rules and processes offers an added advantage. Similarly, in education, the possibility of mutual recognition of qualifications and the additional mobility that it offers to students is also a political stimulant that accelerates reforms more rapidly than project funding on its own could.

Trade reform is strongly motivated by the prospect of access to EU markets. Armenia is generally underperforming in its export potential to the EU, and the benefits of GSP +<sup>88</sup> are not fully realised. The relative speed with which the CEPA was agreed and signed following Armenia's accession to the Eurasian Economic Union suggests that it still looks to the EU for economic opportunities. *See section 4.9 for more detail on this.*

The new Government was appreciative of the EU's support for justice reform and democratic institutions; the revised legal base enabled the new Government to be well ahead in its reform efforts once it took over.

An area of concern is the consequence of the imbalance in technical knowledge between the EU and Armenia, particularly in policy areas in which the EU has a long history and which are relatively new to Armenia. These areas include trade negotiations, migration and vocational education, for example. Here there is a fine line to draw between the ability to provide technical advice and support, and the degree to which policies and programmes are actually 'owned' by Armenian institutions.

Another area that consistently emerges from evaluations and ROM missions as a concern is the sustainability of reform and in particular the sustainability of capacity development efforts. Much of what is described as 'capacity development' comprises interventions such as training sessions or study visits. The focus of such capacity development interventions is the individual within the organisation, not the organisation itself and its systems, strategies, resources and structures. Individual-focused capacity development means that organisations both do not capitalise on the investments and leaves them vulnerable when staff leave. Representatives of organisations interviewed for this evaluation highlighted the concern that key staff who have received training often leave. The EUD has experienced the situation in which national institutions ask for Twinning support often for the same subjects or themes as a twinning project that was completed only a couple

<sup>88</sup> General Scheme of Preferences plus – a scheme under which lower middle and lower income countries have preferential customs duty rates on imports into the European Union. Armenia stands to lose its status in 2019 or 2020 as its wealth increases and no longer qualifies as a lower middle income country.



of years earlier. This repetition indicates that twinning, as well as other capacity building projects may deliver on their agreed deliverables, but may not contribute to sustained organisational performance improvement.

**JC 3.3 EU Member States representatives positively assess the role of the EU in supporting and adding value to the contributions of Member States**

In interviews, EU Member States cite the importance of the EU as i) as a market, ii) as a cultural/political influence as factors in its ability to influence. The EU has considerable soft power deriving from the size of its market and the potential for travel, and so uses this power to influence trade and economic policies as well as migration administration.

The complexity and length of the EU programming process was seen as a barrier to greater participation of EU Member States in EU programming and coordination. However, there was a consensus that since 2015, the EUD has been more proactive in engaging Member States in the programming process, and more willing to cooperate and coordinate. The involvement of Member States and other donors as chairs of the sector coordination committees is widely welcomed and can only help to add value to Member States' contributions as well as EU assistance. The relative passivity of the Armenian government in donor coordination, however, was a critical issue for planning of donor assistance.

**JC 3.4 Armenian public has an increasingly positive view of the role of the EU in the country**

The latest opinion polling shows that the overall view of the European Union in Armenia is positive, and increasingly so over the last four years. An extensive public opinion survey was published in May 2019, "Annual Survey Report: Armenia 4th Wave (Spring 2019)" as part of the EU-funded project OPEN Neighbourhood – Communicating for a stronger partnership: connecting with citizens across the Eastern Neighbourhood. The survey provides detailed data on the changes in public opinion regarding the EU between 2016 and 2019. It is also clear from an IRI survey in 2018 that the Armenian public is strongly supportive of the country's membership in the Eurasian Economic Union<sup>89</sup>.

This evaluation will highlight a couple of major points from the first of these surveys to illustrate the trends specifically in relation to attitudes towards the EU. The original report<sup>90</sup>, has extensive data which provides more depth.

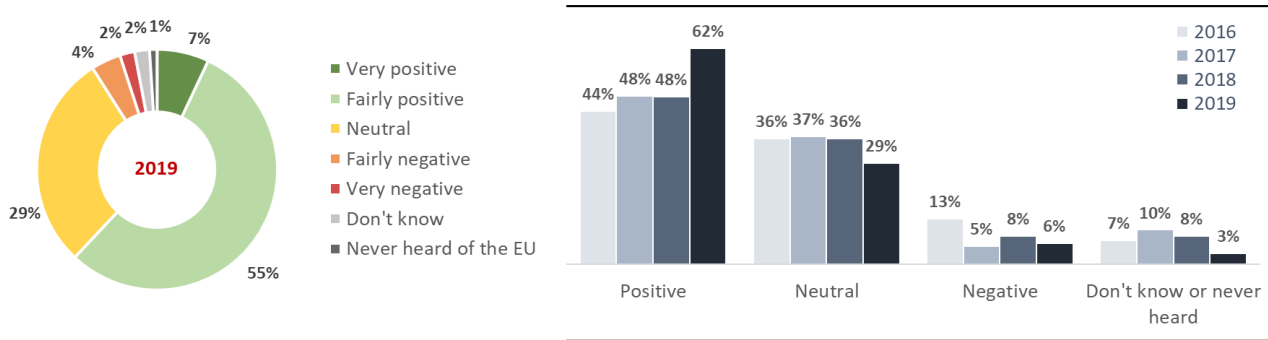
Overall, the trend is positive, while at the same time identifies the prevalence of popular misconceptions and inaccuracies about the EU and its work in Armenia. The overall image of the EU is positive and increasing. More people know that the EU provides financial assistance to Armenia (up from 61% in 2016 to 72% in 2019), and a clear majority (72% in 2019 up from 62% in 2016) believe that the assistance has been effective. A third of respondents who are aware of programmes financed by the EU know about education programmes, followed by agriculture and rural development. Strangely, since there are none, health and medicine programmes come third. Justice reform, roads, infrastructure, anti-corruption, energy efficiency and elections all come in below 10%.

*Q2.1: Do you have a 'very positive', 'fairly positive', 'neutral', 'fairly negative' or 'very negative' image of the European Union?*

<sup>89</sup> [https://www.iri.org/sites/default/files/2018.10.9\\_armenia\\_poll\\_presentation.pdf](https://www.iri.org/sites/default/files/2018.10.9_armenia_poll_presentation.pdf) : 81% of respondents evaluate the current state of relations between Armenia and the EU as 'good'; Russia is by far considered the most important economic and political partner for Armenia. 78% of respondents consider that Armenia joining the Eurasian Economic Union has been 'very positive' or 'somewhat positive'.

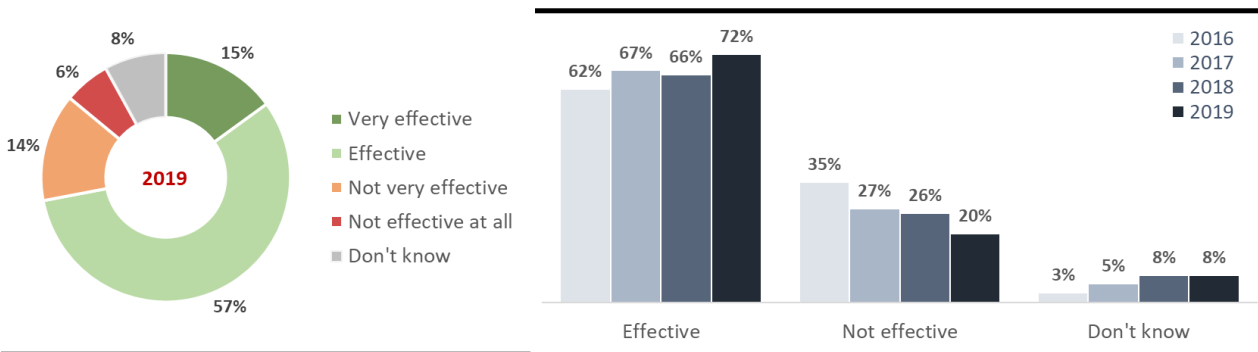
<sup>90</sup> Available at [https://www.euneighbours.eu/sites/default/files/publications/2019-07/EUNEIGHBOURS%20east\\_AS2019report\\_ARMENIA.pdf](https://www.euneighbours.eu/sites/default/files/publications/2019-07/EUNEIGHBOURS%20east_AS2019report_ARMENIA.pdf)

Figure 13: Opinion survey response on image of EU



Q2.5.1: How effective do you think the support has been? (Percentages refer to Armenians who were aware of the EU's financial support)

Figure 14: Opinion survey response on effectiveness of EU support to Armenia



#### 4.4. EQ 4 – Modalities and Instruments

**EQ 4 To what extent was the mix of aid modalities and instruments used by the EU relevant, effective and efficient in the Armenian context, and to what extent is there complementarity within the mix of aid modalities and other instruments used by the EU?**

##### Assessment against Judgement Criteria

**JC 4.1** The mix of aid modalities was appropriate for the overall attainment of the EU's strategic goals

Over the period 2010-2017, EU financial assistance was allocated primarily through budget support to the Government of Armenia, financing agreements with international organisations, action grants to national and international NGOs and services to mostly national and international consulting firms. Of these modalities, budget support was highest in value, with 11 contracts signed with the Government of Armenia. A close second was financing agreements with 10 international organisations and the Government of Armenia.

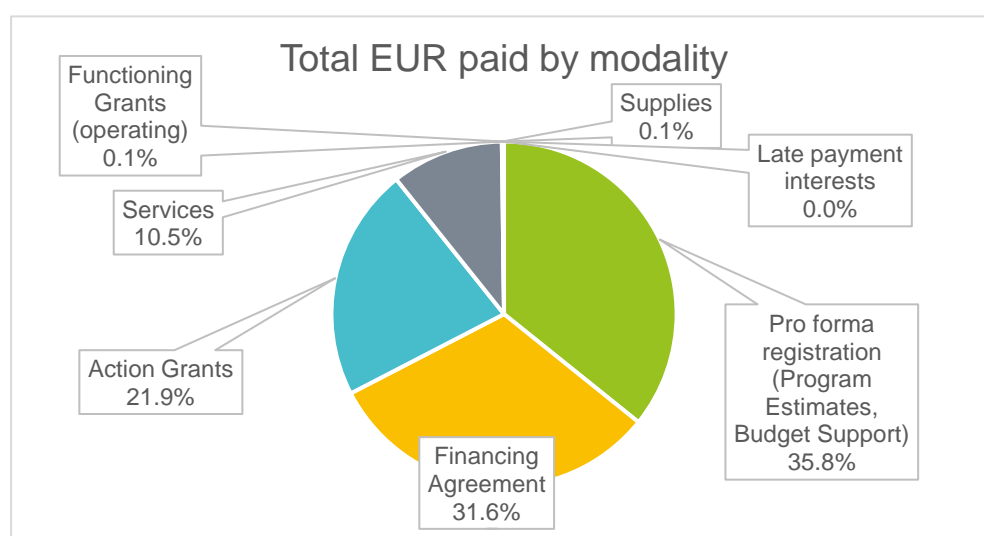
Table 8: Breakdown of contracts by 'Nature'- proxy for modality<sup>91, 92</sup>

Contract 'Nature'	Total contracted	Total paid	No. contracts
Pro forma registration (Program Estimates, Budget Support)	204,286,000	141,711,000	11 <sup>93</sup>
Macro-Financial Assistance	100,000,000	100,000,000	1
Financing Agreement	158,901,925	75,143,286	32
Action Grants	95,243,406	51,939,378	148
Services	42,333,371	25,013,302	180
Supplies	367,361	323,675	4
Functioning Grants (operating)	200,000	135,714	3
Late payment interests	24,199	25,359	15
<b>Grand Total</b>	<b>601356262</b>	<b>394,291,714</b>	<b>394</b>

The amounts paid by the EU by modality are then: BS (34%); MFA (18.6%); FA (26.4%); AG (15.8%); Services (7.0%); Supplies (0.06%); Functioning Grants (0.03%); Interest (0.0%)

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Figure 15: Total paid in EUR by modality



The following sections review the various modalities employed by the EUD and assesses them against the judgement criteria in the evaluation matrix. Following the review of these modalities, this section then concludes with a few words to conclude its assessment of appropriateness of the mix of aid modalities.

**JC 4.2** Budget support programmes were relevant, effective and efficient, and modality was most appropriate for the given objectives.

The ten budget support programmes covered by this evaluation are summarised below<sup>94</sup>:

<sup>91</sup> Some twinning is included under Complementary Support component of BSPs (JC)

<sup>92</sup> Source: evaluation team analysis of the CRIS database

<sup>93</sup> There were finally 10 BSPs since two contracts appear to have been merged into one BSP

<sup>94</sup> See Annex 7 for more details of the budget support programmes (Volume II, p26)

Table 9: Budget support programmes 2010-2017

Budget support programmes 2010-2017	Planned amount (EUR)	Paid amount (by May 2019, EUR)	Year of contract
Support to Justice Reform in Armenia	18,000,000	17,400,000	2009
Continuation of Vocational Education and Training (VET) reform and Development of an Employment strategy merged with Continuation of VET Reform and Development of an Employment Strategy Armenia, EaPIC 2012	21,000,000	16,600,000	2010 and 2014
Support to the Government of Armenia for the implementation of the ENP Action Plan and preparations for the future Association Agreement (MSBSP, I)	21,000,000	21,000,000	2011
Support to the Government of Armenia for the implementation of the ENP AP and preparations for the future Association Agreement – Phase II (MSBSP, II)	45,000,000	26,000,000	2012
Armenia Food Security Programme 2010	3,086,000	3,086,000	2011
Support to Justice Reform in Armenia – Phase II	29,000,000	23,825,000	2014
Support to Agriculture and Rural Development - ENPARD Armenia (AAP 2013)	25,000,000	24,300,000	2015
Better Qualifications for Better Jobs	15,200,000	2,000,000	2016
Public Finance Policy Reform Programme	10,000,000	2,000,000	2016
Support to Human Rights Protection in Armenia	17,000,000	5,500,000	2016
<b>TOTAL</b>	<b>204,286,000</b>	<b>141,711,000</b>	

The budget support modality was used generally to support specific and sometimes difficult sector reforms in government. It was usually accompanied by complementary assistance, including technical assistance, grants schemes, Twinning and policy dialogue to support the reforms. The sectoral reviews (see EQ 6, EQ7, EQ11, for example) suggest that budget support and the complementary measures were able to achieve a considerable degree of legislative and institutional reform, in line with GoA policy and strategic objectives, and to this extent, was an appropriate modality for the EU's strategic goals.

The size of the Delegation was a major constraining factor in the ability of the EUD to choose the most optimal modalities. The EUD was under pressure to engage in strategic policy dialogue and disburse but with a very small staff<sup>95</sup>. The Delegation, then, was limited in its ability to consider alternative aid implementation modalities –i.e. open Call for Proposals - because of the practical realities it faced given its relatively small size.

Another challenge concerns the use of the specific conditions, especially at the design stage, when it is most important to ensure the selection of the most appropriate mix of tranches (e.g. one fixed followed by several variable tranches or all variable tranches), of the weighting for each tranche (e.g. the financial value of each tranche) and the full participation of the beneficiaries (and other stakeholders) in discussions concerning the indicators (and targets) that need to be satisfied to ensure compliance with the conditions. In general, a good balance appears to have been struck within many of the BSPs reviewed here, as evidenced by the fulfilment of conditions and the relatively good execution rates of disbursement. However, difficulties appear to have been faced by the beneficiaries in fulfilling conditions, while overall disbursement rates were lower, when all the tranches were variable and when a relatively large weighting was given in terms of financial value to some of

<sup>95</sup> Twelve professional staff and three support staff in the Cooperation Section

the individual tranches, as was the case, for instance, with the BSPs, Justice II and 'Better Qualifications for Better Jobs'.

Within each of the BSPs, assistance is provided under Complementary Support for independent monitoring by expert TA teams, of the progress by the GoA in complying with the General and Specific conditions and this was an important and useful resource for a Delegation which had to operate in the period 2010-17, within an environment of human resource constraints. Sometimes, however, it may be helpful to look beyond the fulfilment of conditions to assess the overall impact on the sector of the increased budgetary allocations from the MoF, made possible by the 'increased fiscal space' within the state budget created through the additional revenue from the budget support funds. A good example may be seen in the VET budget support areas, in which there has been a considerable investment over 15 years, but the rate of unemployment of young people remains obstinately high. This is an issue for wider evaluation and examining the logic of supporting VET reforms and the impact it has on young people entering the labour market. In 2011 and 2012 there were so-called 'longitudinal' studies on young people leaving education, but these did not continue. Without a more concerted attempt to really understand the trajectories of young people both choosing to enter vocational education (linked to their experiences and learning during school), and their fates regarding employment after leaving school, it is difficult to assess the impact of EU financial assistance through budget support (including adjustments made at the macro policy and institutional levels in order for the system reforms to have a greater impact).

National events have had their impact on the implementation of budget support programmes. The 2012 budget support programme for supporting preparations for the association Agreement was drastically cut once Armenia declared its intention to sign up to the Eurasian Economic Union. Implementation of the three budget support programmes signed in 2016 has been very slow, partly due to the civil unrest leading to the change of government in 2018.

It is clear from interviews with both Delegation and GoA staff that budget support programmes provide the forum and access for detailed and constructive policy dialogue at working levels, and at higher political levels. Even in contentious areas such as justice reform, dialogue was maintained because of the budget support programmes.

A major concern about the structure of budget support administration by Government was raised by one of the ministries, which complained that they had not been able to implement the required actions because the finance had not been transferred to their ministry from the Ministry of Finance. Lack of sectoral budget data has made it difficult to assess the extent to which sectors (agreed as priorities by the GoA and the EU under specific BSPs) actually received an increase in budget funds, although data suggest that there was a mixed picture with respect to increases in state budget funds to priority sectors<sup>96</sup>. There is a further complication in that the frequent changes within government (and hence sector ministries and other institutions) has left little institutional memory for verification of data and other information relating to sector funding.

Finally, delays in implementation and transfers of funds may have reduced the relevance and usefulness of some of the budget support programmes, as indicated in the more detailed assessment of the BSPs<sup>97</sup>. Specific BSPs actually received an increase in budget funds, although data suggests that there was a mixed picture with respect to increases in state budget funds to priority sectors. There is a further complication in that the frequent changes within government (and hence sector ministries and other institutions) has left little institutional memory for verification of data and other information relating to sector funding.

Overall, then, budget support was a generally effective and appropriate means for disbursement of EU financial assistance. Impact and sustainability could be achieved by strengthening real time monitoring and evaluation, and staffing levels were a constraint for effective management.

<sup>96</sup> See Annex 9 (Volume III) Section 1: EQ 4 Modalities, p11-40

<sup>97</sup> See Annex 9 (Volume III) Section 1: EQ 4 Modalities, p11-40

Table 10: Financing Agreements

Modality: Financing Agreements			
Name of Agency	Planned (EUR)	Paid (EUR)	No. contracts
European Bank For Reconstruction And Development	38,941,700	12,411,700	9
European Investment Bank	30,093,000	14,880,000	3
Kreditanstalt Fur Wiederaufbau	25,740,000	6,736,000	2
Hayastani Hanrapetut Yun	22,500,000	17,250,000	4
United Nations Development Programme	13,172,306	14,017,034	6
Agence Francaise De Developpement	10,376,000	0	1
Deutsche Gesellschaft Fur Internationale Zusammenarbeit (Giz) Gmbh	7,400,000	1,900,000	2
Conseil De L' Europe	4,648,304	3,671,019	2
United Nations Industrial Development Organization	2,402,130	1,859,041	1
The Food And Agriculture Organization Of The United Nations	2,001,768	791,776	1
Organization For Security And Cooperation In Europe	1,626,717	1,626,717	1
<b>Total</b>	<b>158,901,925</b>	<b>75,143,286</b>	<b>32</b>

**JC 4.3** *Twinning programmes were relevant, effective and efficient, and modality was most appropriate for the given objectives and prevailing conditions*

During the period 2010-2017, twelve Twinning projects with a total value of €12 million, were implemented in Armenia.<sup>98</sup> Interviewees in partner institutions generally view **twinning** positively. This is especially the case in statistics and taxation, where EU expertise can provide strong professional development opportunities for individuals. However, in some cases, the lack of knowledge of local context may slow down experts' work, which has an impact on the quality of the results.<sup>99</sup>

A major constraint of twinning is that it generally targets only individuals working in state institutions and may be limited to providing manuals and strategies. In practice, the real work of changing and developing an organisation takes more time and effort. So twinning is helpful, but insufficient to achieve lasting organisational improvements. Expectations from twinning projects are generally more hopeful and ambitious than can be achieved by the modality in practice<sup>100</sup>. This is supported by the recent evaluation on twinning, which concluded that "evidence of long-term impact was more elusive, especially when projects tackled more complex sectors with a wide range of contributory factors outside their scope of intervention"<sup>101</sup>

**JC 4.4** *Grant schemes were relevant, effective and efficient, and modality was most appropriate for the given objectives and prevailing conditions*

Some EUR 95 million of EU financial assistance was allocated in the form of **action grants**. Of this, some 15 grant schemes were published on the EU's EuropeAid site<sup>102</sup>, totalling nearly EUR 33 million. Evaluation of the grant schemes has proven somewhat complex, because reports from the grants actually awarded were fragmented and incomplete. The available documentation on the design of the grant schemes was in the

<sup>98</sup> 'Evaluation of the Twinning instrument in the period, 2010-2017', Final Report, vol.1, Consortium led by GDSI, MFF/DG NEAR, EC, March 2019, p. 26

<sup>99</sup> Interview held May 2019

<sup>100</sup> In 2013, an evaluation of the twinning modality was contracted by the EUD in Armenia, but the report was not approved and was not available to the team for this evaluation.

<sup>101</sup> Evaluation of the Twinning instrument in the period 2010-2017, DG NEAR, 2019, [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/final\\_report\\_-\\_volume\\_i.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/final_report_-_volume_i.pdf) p2

<sup>102</sup> See Annex 6 (Volume II): Grant Schemes, p25



'Guidelines for Applicants', which very briefly set out the purpose. There was no additional documentation available which provided the broader perspective on what the challenges/opportunities were, why a grant scheme was chosen as the modality to address the challenge/opportunity, and the theory of change to describe how the awarded grants might contribute to the desired goal. In addition, few of the grant schemes were evaluated overall (one exception was the EIDHR Country Based Support Scheme<sup>103</sup>), and therefore it is hard to gain any assessment of the overall impact of grant schemes.

The absence and the quality of evaluations of grant schemes suggest that not enough attention is being given to assessing impact and learning from them. Grant schemes are generally intended to stimulate innovation (such as the CSO-LA schemes), or to support a sector (such as EIDHR and civil society). The nature of grant schemes requires considerable investment in evaluation both to learn from the innovations tested (did they work, are they useful, can they be scaled up?), and to assess the impact and sustainability on a sector (is civil society stronger, more sustainable, more effective at what it does?).

### *Conclusion*

The mix of modalities and instruments was overall appropriate for the situation in Armenia. The staffing constraints led to a focus on fewer, larger means of disbursement (budget support and direct awards/financing agreements). In all cases, more results-based monitoring and evaluation is needed in order to strengthen learning and to be able to provide evidence of impact, particularly for budget support and grants schemes.

Action grants, services and supplies made up one third of total actual contract expenditures. With respect to the grants that were awarded under Complementary Support within the BSPs, most of these grants were awarded without competition to specific organisations, justified by their expertise and experience in the sectors and technical areas, as well as in Armenia and the region generally. This was the case, for example, with grants to UNIDO (to support the development of farmers' associations) and to FAO (to assist with capacity building in the MoA) under the BSP, ENPARD, to the Council of Europe, under the BSP, Justice II, to the Armenian Anti-Corruption Coalition of Civil Society Organisations, under the BSP, PFPRP and to the UNDP and to the OSCE/ODIHR under the BSP, Human Rights. In the case of the BSP, BQBJs, there was competitive bidding, under a call for proposals for support to VET providers, CSOs and business associations.

While there are good administrative reasons to rely on non-competitive modalities, there is a risk that the efficiency of implementation is lower when there are no competitive pressures to reduce costs and improve results.

## **4.5. EQ 5 – Gender**

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**EQ 5 To what extent do policy dialogue, programming and implementation of EU assistance consistently take into account gender issues, and in particular the specific gender issues faced in Armenia?**

### *EU Assistance and Policy Dialogue*

There were two relevant dialogue platforms in Armenia. The first was the **Gender Theme Group (GTG)**, established in 2008 composed of representatives from government structures, national NGOs and think tanks.<sup>104</sup> The second was the **Armenia-EU Human Rights Dialogue**, established in December 2009<sup>105</sup>. The EU-Armenia bilateral trade relations, now regulated by the Comprehensive and Enhanced Partnership

<sup>103</sup> EVALUATION OF EIDHR CBSS – ARMENIA, December 2013, IBF International Consulting

<sup>104</sup> [http://www.un.am/up/file/GTG\\_TOR-ENG.pdf](http://www.un.am/up/file/GTG_TOR-ENG.pdf)

<sup>105</sup> <https://www.mfa.am/en/bilateral-relations/eu>



Agreement (CEPA)<sup>106</sup>, committed the EU and Armenia to strengthen respect for fundamental freedoms. Under the **GSP+ dialogue**, Armenian authorities are committed to implement the CEDAW<sup>107</sup>.

The EU in Armenia supported five gender mainstreaming actions within budget support operations and programmes, as well as specific gender projects during 2010-2017. In financial terms, the EU allocated EUR 3.3 million for gender mainstreaming in budget support operations and EUR 2.8 million for gender-specific projects during 2010-2017. Actual spending against plan was around 70% as of December 2017.

### *Assessment against judgement criteria*

#### **JC10.1. Robust gender evidence is used to inform policy dialogue, programming and implementation of EU assistance in Armenia**

There was insufficient analysis of gender issues to inform the programme designs, and gender equality has not been fully mainstreamed in EU-funded programmes/projects and most sector budget support programmes. Gender equality was mainstreamed only in the human rights sector budget support programme.

The projects and programmes in vocational education and training (VET), justice and migration sectors did not include a systematic gender perspective; at most, female-focused activities are present. The twinning project (supported by EU, Sweden and Poland) on asylum and immigration introduced women's specific basic needs in a new sectoral legislative framework, but these were not planned results. The UNICEF project providing support to families 'left behind' included women as main target beneficiaries, and there is an intention to work with men on health and parental care issues. The People in Need project that supports male returnee migrants (supported by the Czech Republic) missed the opportunity to work on gender inequality issues such as male labour migrants' sexual health.

The sector budget support programme for VET did not incorporate gender-disaggregated indicators and gender equality performance indicators, despite women's unemployment being a critical issue in Armenia. No gender analysis has been made for this intervention. None of the five comprehensive groups of conditionalities included or made reference to GEWE. The only exception is a mention in Annex II of the Financing Agreement, which states that 'gender issues ... will be considered during the implementation of the SPSP.' While GEWE issues were occasionally raised in the VET sector policy dialogue processes, they were never prioritised, as confirmed by respondents from EUD and the Ministry of Education and Science.

In the justice sector budget support programme, the technical and administrative provisions (TAPs) for the justice sectoral budget support made a reference to gender being a cross-cutting issue (together with human rights, governance and democracy), but it did not include women judges as a performance indicator (neither is it mentioned in the final evaluation report).

#### **JC 5.2 Gender was mainstreamed in all stages of project cycle (formulation, management, monitoring)**

Until 2015, it is evident from interviews and document review that the EUD in Armenia paid moderate attention to gender mainstreaming, but since 2016 the level of attention has been higher.

To strengthen the work of the EUD on gender, the Brussels-based geographical unit F1 developed a country-specific guidance on mainstreaming gender in projects and programmes, sector and general budget support in 2014. The Toolkit targets four sectors (public administration, justice/rule of law, private sector, and migration). In 2015, the EUD initiated research in the area of gender mainstreaming with particular focus on priority sectors in preparation for the SSF. The research results contained baseline indicators and qualitative analysis on gender; however, the usage of this research was limited. As evident from evaluation interviews and document review, the EU has identified women's participation as a development priority for Armenia that could have been better reflected in the SSF 2017-2020. Yet, in actual annual programming the EUD included women's

<sup>106</sup> <http://ec.europa.eu/trade/policy/countries-and-regions/countries/armenia/>

<sup>107</sup> UN Convention on the Elimination of Discrimination against Women

empowerment, gender equality, and protection of child rights as an objective starting in its 2018 Annual Action Plan.

**JC 5.3** *Gender specific activities conducted under the EU support (i.e. aiming at enhancing equality between men and women, support to institutions and organisations working for gender equality and women's empowerment) have contributed to demonstrable/tangible improvements for that particular gender*

Over the last years, as a result of the negotiations and discussions on the Association Agreement, many Armenian political leaders included gender equality in their discourses as this was framed as a shared set of values between Armenia and the EU. But this changed in 2013 when Armenia decided to join the Eurasian Customs Union. This reversal was concurrent with an 'anti-gender campaign' which produced a shift in discourse among the national political class. The EUD, consequently as part of its mandate on human rights, re-focused its political dialogue with the Government of Armenia towards the protection of LGBT groups and human rights defenders<sup>108</sup>.

The specific gender projects financed by the EU clearly aimed to address key issues: women's political participation, women's social and economic empowerment, and preventing gender-based violence and promoting gender equality among community leaders and employers. The proportion of the EU-funded cooperation and development initiatives promoting gender equality and women's empowerment in Armenia during 2010-2017 was low and constituted just 7% of all planned allocations. Despite this, the specific projects on gender equality reviewed show encouraging results in the areas of women's political and economic participation. There are a number of indicators which show an improvement in the situation of women in Armenia, but it is not possible to identify a contribution to these trends by EU cooperation in the country.

- The gender pay gap has decreased over the last ten years by 11% to 33.5%
- decreasing sex ratio at birth in Armenia (from 114 boys/100 girls in 2010 to 110 boys/100 girls in 2017)<sup>109</sup>
- The proportion of women members of parliament in 2018 increased by 15% compared to 2007 (24% of all lawmakers), as a result of the 25% gender quota in the 2016 Electoral Code (but still lower than the Europe-wide average (29.3%))<sup>110</sup>
- In the 2017 government, the number of women ministers and envoys was 25% higher than in 2012
- At local level, there were only 1.9% of female mayors in 2017; however, between 2012 and 2016, the number of female candidates for local council office increased by 17% and the number of females elected as councillors has increased by 24%. The first woman mayor was elected in August 2018. The Yerevan City Council election in late September 2018 resulted in the election of 20 women (31% of 64 members)<sup>111</sup>

Despite many positive changes in place, gender inequalities broadly persist in Armenia. Discriminatory practices are based on strong perception about traditional segregation of gender roles in the society. Issues related to reproductive rights and gender-based violence are only now being discussed widely outside of home.

### Conclusions

Gender issues were not adequately identified in the country analysis for the CSP (2007–2014) and so could not be used as the basis for decisions on gender mainstreaming into sector priorities.

The EU's initiatives of the last two years (gender equality country profile, gender mainstreaming country toolkit, gender equality training) have had a positive effect on the policy development of the EU. The major challenge now is the translation of this commitment into concrete GEWE-specific projects and gender mainstreaming into the sector priorities. At the same time, there is a need to increase the technical capacity and commitment of EUD staff regarding gender issues.

<sup>108</sup> Two applications were supported through EIDHR emergency facility for human rights defenders at risk

<sup>109</sup> [https://sustainabledevelopment.un.org/content/documents/20315Armenia\\_SDG\\_VNR\\_report.pdf](https://sustainabledevelopment.un.org/content/documents/20315Armenia_SDG_VNR_report.pdf)

<sup>110</sup> European Institute of Gender Equality (EIGE): [http://eige.europa.eu/gender-statistics/dgs/indicator/ta\\_pwr\\_pol\\_parl\\_wmid\\_natparl](http://eige.europa.eu/gender-statistics/dgs/indicator/ta_pwr_pol_parl_wmid_natparl)

<sup>111</sup> <https://www.elections.am/council/election-27551/>

The major achievements of the EU in Armenia lie in the support for a new legal framework based on women's human rights, including the fight against domestic violence<sup>112</sup>, and in supporting gender's dissident voices.

## 4.6. EQ 6 – Democratic Institutions, Rule of Law and Reform of the Judiciary

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**EQ 6 To what extent, and how, has the EU assistance to Armenia contributed to strengthening democratic institutions, rule of law and reform of the judiciary?**

### *EU Cooperation*

The EU was engaged in three key areas: judicial reform, electoral reform and anti-corruption (particularly in the public sector).

The key issues faced by the country in 2010 were as follows. The **independence of the judiciary** was limited by excessive presidential influence over the selection of judges, as well as broad and discretionary grounds for dismissal of judges. Excessive workload affected the quality of judicial decisions<sup>113</sup>. Judicial decisions were poorly argued, partly affected by poor training and partly by the low level of administrative assistance available. Corruption in the judiciary was rife, and there was no legal framework to prevent conflicts of interest and illicit enrichment<sup>114</sup>. At the same time, a part of the Ombudsman's report of 2013, the issue of judicial independence and fight against corruption, including the elimination of possible corruption risks in various human rights fields have been also raised in the annual and ad hoc reports of the Human Rights Defender (Ombudsman) in 2016<sup>115</sup>, 2017<sup>116</sup> and 2018<sup>117</sup>. Prisons were over-crowded and could not offer remedial services and basic care<sup>118</sup>. The probation service covered only post-detention support, limiting alternative forms of pre-trial restraint; only incarceration was available.

Presidential elections (2013) and parliamentary elections (2012) had observed irregularities and there was widespread mistrust of the elections process<sup>119</sup>. Issues included, but were not limited to, concerns about the 'free and fair formation of the will of a voter', freedom of expression, fair counting of votes, ineffective examination of allegations of election fraud.

<sup>112</sup> Note: Armenia adopted the "Law on prevention of violence within the family, protection of victims of violence within the family and restoration of peace in the family" in December 2017

<sup>113</sup> There were 6.7 judges per 100,000 inhabitants compared to a European average of 21.

<sup>114</sup> See Ombudsman's Annual Report, 2013

<sup>115</sup> <https://ombuds.am/images/files/28731eccde752a30c70feae24a4a7de7.pdf>

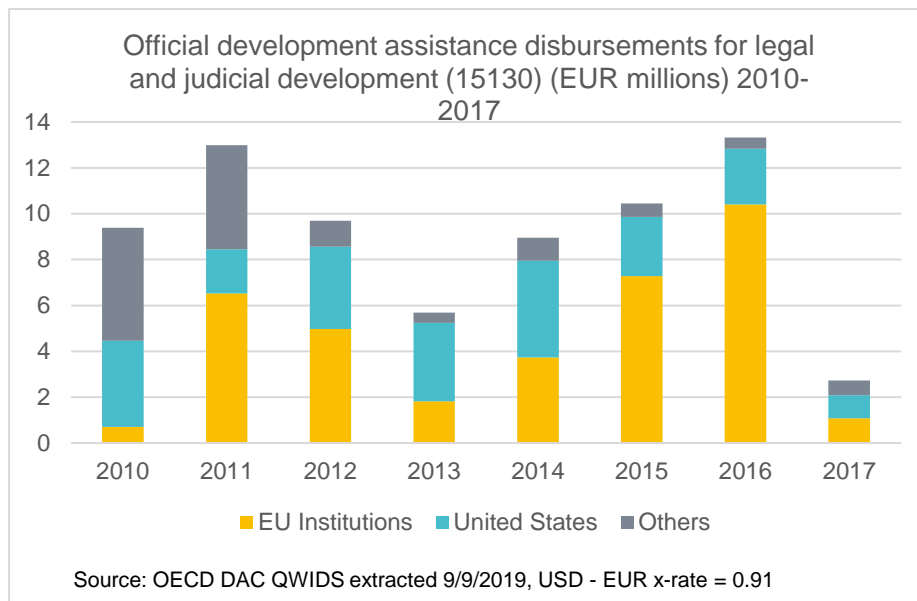
<sup>116</sup> <https://ombuds.am/images/files/b738f4eb767ab62bedef29f766fa9ea0.pdf>

<sup>117</sup> <https://ombuds.am/images/files/8f03a4f279d0491fd510fca443f8f269.pdf> and <https://www.ombuds.am/images/files/e722139fe25348c1076dae0df9496c55.pdf>

<sup>118</sup> <https://iwpr.net/global-voices/overcrowded-prisons-armenia>

<sup>119</sup> See <https://www.osce.org/odihr/elections/91643?download=true> and <https://www.osce.org/odihr/elections/101314?download=true>

Figure 16: ODA disbursements for legal and judicial development 2010-2017



Corruption was a major issue. Armenia ranked at 29 (where 100 is best and 0 worst) regarding ‘control of corruption’ in 2010<sup>120</sup> (see Figure 21 and Table 12: Armenia ranking on Worldwide Governance index dimensions below for the chart and data on all these governance indicators).

Over the period 2010 to 2017, EU institutions were the largest single donor in the sector, contributing a total of EUR 36.5 million, or 50% of total ODA<sup>121</sup>. The World Bank Group, OSCE<sup>122</sup> and Council of Europe were also active players in the sector. In terms of financial assistance, the EU signed 32 contracts for a total value of EUR 49.9 million, of which EUR 32 million was paid by the end of 2018. This included EUR 37.6 million of a budget support programme in two phases<sup>123</sup> (“Support to Justice Reform in Armenia” phases I and II). The programme logic for the EU’s support to justice sector reform is shown as reconstructed in the diagram below.

*Assessment against Judgement Criteria*

**JC 6.1** *There has been a positive change in functioning of key democratic institutions and procedures, including judiciary and elections (sectoral change)*

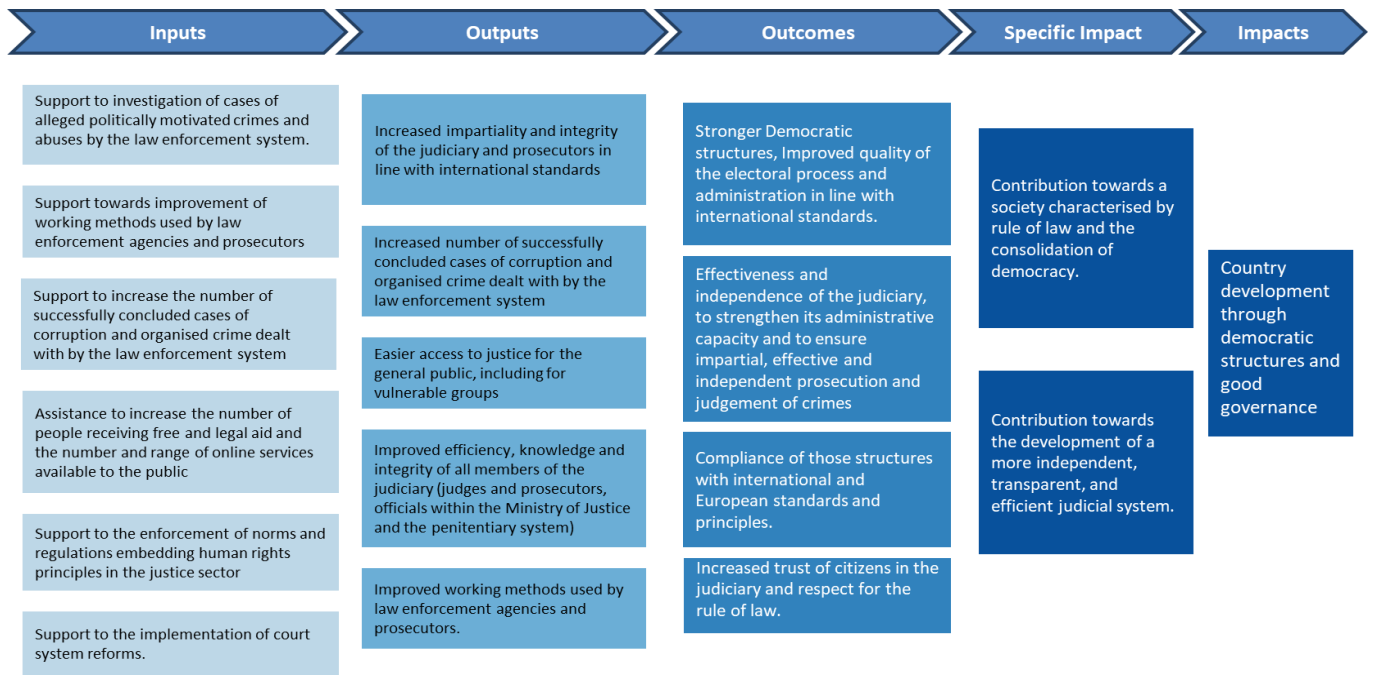
<sup>120</sup> World Bank’s Worldwide Governance Indicators, <https://info.worldbank.org/governance/wgi/#home>

<sup>121</sup> Note that the figures for 2017 may be incomplete – these are the latest figures available, but the OECD DAC system is slow to collect complete data.

<sup>122</sup> The OSCE mission was closed in 2017

<sup>123</sup> Phase I EUR 14.9 million fully disbursed, phase II contracted EUR 25 million, of which EUR 9.3 million paid by end 2018

Figure 17: Logic model EQ6 - Democratic Institutions, Rule of Law and Judiciary Reform



Armenia achieved a number of areas of progress during the evaluation period due to the EU support. The constitution was amended in 2015 to preclude chairpersons of the courts from membership of the Supreme Council of Justice, and dismissals of judges can only be adopted by the Supreme Court of Justice and no longer by the President. A new judicial code was adopted in 2018, which, inter alia, introduced a code of ethics, a judicial self-governing body and established a bankruptcy court. The new judicial code also provides for the random allocation of cases to judges, and a greater role for the national assembly in overseeing the appointment of judges. Together, these reforms have created a solid basis for the independence of the judiciary and a reduction in corruption. Nevertheless, public confidence in the courts remains dismal.

In the penitentiary system, despite some improvements in conditions, the number of prisoners has continued to rise; in 2015 there were 3,873 prisoners<sup>124</sup> (130 prisoners per 100,000 population) – a rise of 38% over the 2005 level. June 2016 saw the adoption of a law establishing a new probation service, seen as an important first step in improving rehabilitation for offenders and providing effective alternatives to prison. In a busy legislative month, on 15 December 2016, a new law was adopted criminalising illicit enrichment, an essential step in combatting corruption. One day later, on 16 December, a new law on political parties was adopted, regulating the internal operations of parties, but did not provide any new restrictions on party financing.

Evaluation interviews also indicated that the EU observed that judicial institutions (judiciary, prosecutors, lawyers) in the early stages of EU cooperation refused to cooperate with each other. Subsequent EU initiatives contributed significantly to these institutions finding common areas of concern and provided the environment necessary to finding collective solutions. An early justice strategy was developed collaboratively in the early 2000s, an initiative which constituted the cornerstone of subsequent EU support.

Overall, there were positive steps towards a legal framework that provides for a more independent judiciary and some basic instruments for regulating corruption. As suggested by the prison figures, implementation and public confidence remained low at the end of the evaluation period. The World Bank’s Worldwide Governance Indicators suggest that rule of law in Armenia has made a substantial improvement over the evaluation period (see Section 4.7 for the full data on these governance indicators).

<sup>124</sup> According to Armstat publications, the number of prisoners for 2015 was 3,873, of which 1,114 arrested, 2,759 convicted

**JC 6.2** *The priorities of the EU programmes meet issues identified in independent/non-EU analyses of the judicial system/ROL sector (relevance of EU cooperation)*

EU programming in the sector on the whole was designed to address the key issues faced in Armenia – notably judicial integrity and independence, and reform of the penitentiary system. Much less emphasis was placed on combatting corruption, even though this was (and likely remains) a major problem in the country regarding rule of law.

Although after the end of the evaluation period, the EU Delegation provided considerable financial and political assistance to the state in holding free and fair elections in 2018. That these elections “were held with respect for fundamental freedoms and enjoyed broad public trust<sup>125</sup>” can be attributed to the broad coalition of international organisations, led by the EU, that worked together to ensure proper conditions for a free and fair election. This rapid response to changing conditions on the ground allowed was partly a consequence of the cooperation and dialogue that had been in place for some years prior to these elections.

**JC 6.3** *Sample EU programmes have identifiable results which can show a clear link to overall change in the judicial system (impact of EU cooperation and contribution)*

Interviewees considered that the two-justice sector budget support programmes likely contributed towards the desired impacts as outlined in the logic model. EU support played a role in putting in place key constitutional and legal reforms which laid the groundwork for greater independence and transparency of the judiciary. Support to democratic reforms – particularly the unplanned support in 2018 for the elections – helped to put in place the conditions for fair and free elections and increased public trust in the democratic institutions. Complementary support to civil society was part of the overall approach, and with, for example, verifying reforms in the justice sector. By engaging civil society in this way, the EU was able to increase capacities of civil society organisations for monitoring justice sector and democratic reforms, and at the same time to assist the government to put these reforms in place.

The use of the budget support modality most likely generated sufficient access to dialogue and incentive within the government to support the enactment of key constitutional and legislative reforms. As an example, the evaluation of the first Justice Support budget support programme suggests that “the use of the incentive of having an EU programme with a Specific Condition requiring a Justice Sector Strategy to be in place moved things faster and facilitated the process of drafting and approving the JSS. Without this requirement the Commission may have had a limited say on the main reforms, and may not have ensured the realisation of many aspects of the ENPI Action Plan”<sup>126</sup>

Phase II of the justice sector budget support has so far proven less effective in achieving reforms mainly due to frequent change of ministers and even more frequent change of contact persons in the Ministry of Justice. The lead up to the democratic changes of 2018 slowed the pace of implementation, and by May 2019, EUR 19.8 million of the planned EUR 25 million had been disbursed (excluding the EUR 4 million in complementary support).

Regarding anti-corruption efforts, the Transparency International Corruption Perceptions Index<sup>127</sup> gives Armenia a corruption score of 35 and this has remained more or less constant over the last 7 years. One of the priorities of the new government is to crack down on corruption, so it is hoped that this will have a visible effect in the next few years.

**JC 6.4** *Achieved changes in the judicial system resulting from EU interventions remain in place and are likely to remain over the coming years (sustainability)*

Sustainability of the key reforms is hard to assess at this point because of the recent political changes. Much of the legislative change that was achieved is likely to remain in place, and interlocutors agreed that these changes have positively enabled the incoming government to make further progress on rule of law and judicial

<sup>125</sup> OSCE/ODIHR <https://www.osce.org/odihr/elections/armenia/413555?download=true>

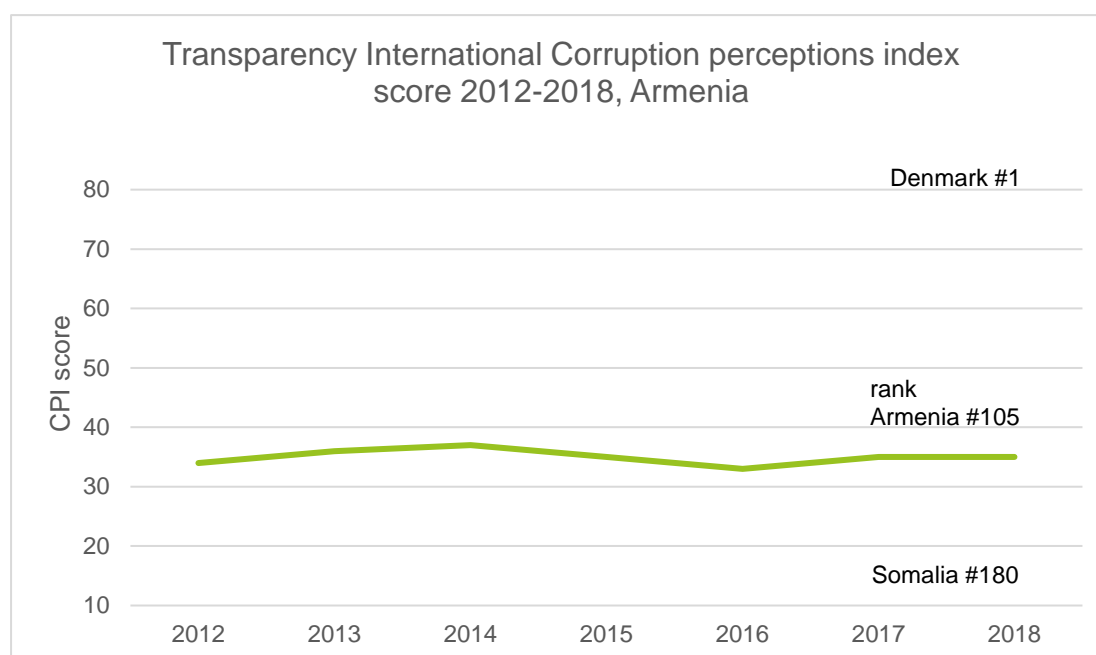
<sup>126</sup> Armenia: Evaluation of EU assistance in the sphere of justice, FINAL REPORT, AETS, December 2012, p6

<sup>127</sup> <https://www.transparency.org/cpi2018>



reform. The challenge in assessing sustainability is that the majority of reforms remain to be implemented and so the verdict remains open.

Figure 18: Transparency International Corruption perceptions index score 2012-2018, Armenia



One of the main achievements of EU support has been the establishment of the probation service. The cost of this is anticipated to save substantial funds. Government spending per person serving a probationary term will be a tenth of the cost of a custodial sentence – providing a good chance for sustainability as long as judicial sentencing takes up the alternatives offered by the probation service.

**JC 6.5.** *Selected sample interventions delivered institutional change in proportion to their cost, and were delivered on time (efficiency)*

Monitoring reports indicated that with very few exceptions EU projects delivered the outputs they were meant to deliver. There were few attempts by the EU to assess the outcomes and impacts of its interventions at project or sector levels through ex post monitoring and evaluation. Aside from the sector budget support reviews, five ROMs were conducted in the area of justice (out of 30 relevant contracts). The justice sector evaluation from 2012 was a positive initiative<sup>128</sup>.

The first justice sector budget support programme required the construction of courts. This requirement may have had adverse effects, as noted by the justice sector evaluation<sup>129</sup>. Budget constraints following the global financial crisis meant tight government control of expenditure on goods and services, which in turn led to delays in infrastructure projects. Rather than assisting, the programme condition actually put *additional* budgetary pressure on the government. Government funding for maintenance was insufficient. Consequently, interviewees suggested that the quality improvements in the judicial system as a result of the improvements to court infrastructure have been minimal.

**JC 6.6** *Selected sample projects delivered institutional change according to the agreed plans (effectiveness – link to ‘outcomes’ level of logic model)*

EU cooperation led to some clear examples of institutional change in the justice sector, though during the evaluation period not as extensive as had been hoped. The probation service was established and reforms to the judicial code have been achieved as described above. In addition, an anti-corruption body has been

<sup>128</sup> ARMENIA: Evaluation of EU assistance in the sphere of justice, FINAL REPORT, December 2012, AETS

<sup>129</sup> Evaluation of EU assistance in the sphere of justice, FWC COM 2011 - Lot 1 – Studies and Technical Assistance in all Sectors, Request No. 2012/299176/1, FINAL REPORT, December 2012



established, with some limited authorities but well regarded in terms of independence and operational effectiveness.

Under the second budget support, support was provided to an E-Civil Registry, which enables all birth registration to be done online; this has also reduced the risks of voter fraud, and indeed has supported all aspects of democracy and governance.

The EU cooperation contributed to enhancing the capacity of the judiciary and its efficiency but, in the absence of a consensus on structural reforms, independence and fairness of justice have not been yet achieved.

### *Conclusion*

Judicial reform continues to face many challenges. Predictability of court rulings, lack of independence of the judiciary, a culture of bribery among judges and advocates, and lack of alternative dispute resolution mechanisms are some of the problems that still need tackling. The main bottleneck that still remains is that the Armenian Judiciary is too small to be fully functional: it is underfunded and understaffed.

Due to EU support, Armenia now has in place a comprehensive and well-defined Judicial Reform Strategy resulting from wide consultation, with clearly stated deadlines and benchmarks to monitor control its achievements. The strategy is a positive step towards addressing the main shortcomings. Nonetheless, the main bottleneck that remains is that the Armenian judiciary is too small to be fully functional: it is underfunded and understaffed. It has very few judges, not enough well-trained court clerks, an architecture that is too elementary – both regarding geography and the structure of jurisdictions – and it is clogged by an excessive backlog mainly generated by small claims.

There is even further to go regarding the fight against corruption, and the arrival of a new government may be the right time to seek more effective measures.

Penitentiary reform was clearly an opportunity to find shared interest between the previous government and the EU in an area that was relatively uncontentious and would not have consequences for those in power at the time. Now that a new government is in power, attention should shift towards scaling up the judiciary and cementing its independence.

EU investment in infrastructure through budget support programmes needs to be carefully assessed, perhaps including conditionality for ensuring adequate maintenance.

## **4.7. EQ 7 – Public Administration Reform including Public Financial Management**

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**EQ 7 To what extent, and how, has the EU assistance to Armenia contributed to improving transparency, accountability and efficiency of the public administration and PFM at central, regional and local levels?**

### *EU Cooperation*

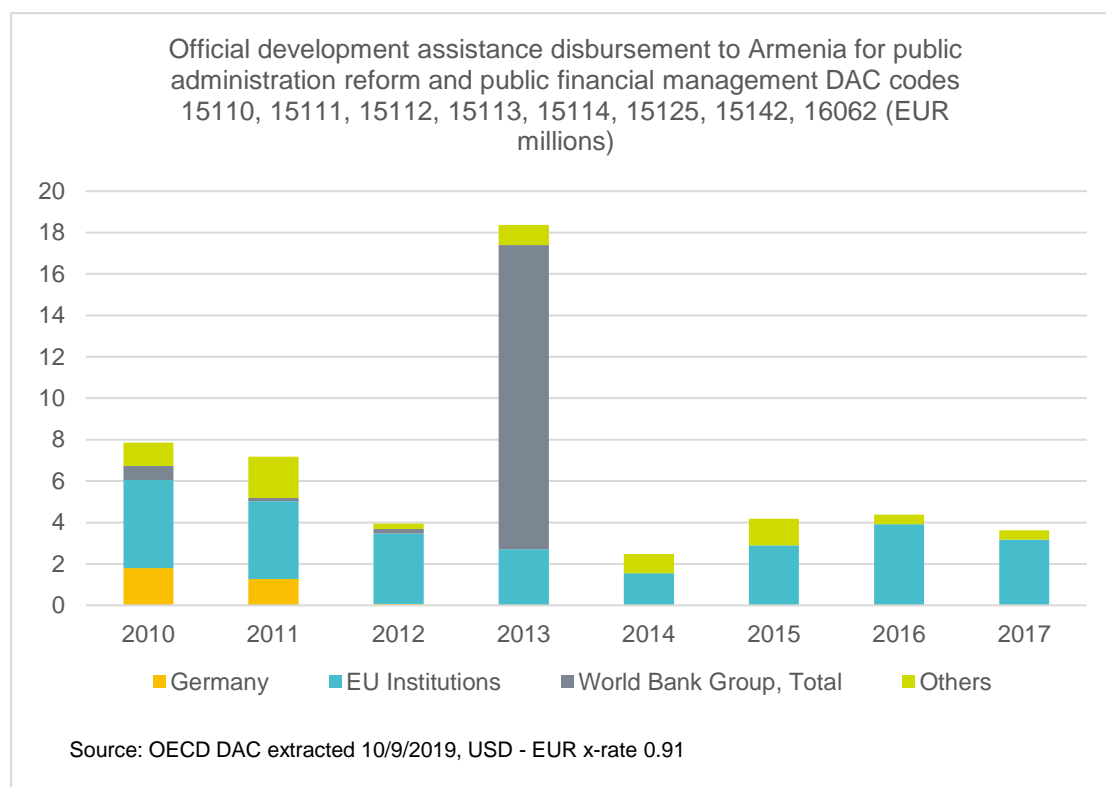
Key concerns regarding public administration in Armenia at the start of the evaluation period included, but were not limited to, corruption, low professional standards and politicisation, inefficiency, quality of public service delivery and governance at local level<sup>130</sup>.

Reforms between 2009 and 2014 focused on modernising the civil service, introducing e-governance and improving the quality of service delivery. From 2014 onwards, reforms in public administration were implemented within the framework of the Armenian Development Strategy (ADS), 2014-2025, which committed

<sup>130</sup> E.g. REPUBLIC OF ARMENIA, SUSTAINABLE DEVELOPMENT PROGRAM, Yerevan, October 2008, p172

the country to areas of improvement including: establishing and strengthening a modern system of public administration, inspection systems, local self-governance, PFM, public investment, the civil service, judicial reform and anti-corruption. A critical issue faced was that responsibility reform of public administration was assigned at the political level, but there was no organisational responsibility or capacity for managing and coordinating reforms.

Figure 19: ODA disbursements for legal and judicial development 2010-2017



The EU is by far the largest international development actor contributing to this sector. Between 2010 and 2017 EU institutions disbursed some EUR 25.6 million, half of all international assistance<sup>131</sup>.

The other main player was the World Bank, which was mainly focused on reforms in public revenue collection. Germany was the only bilateral donor with a significant contribution.

The table below shows the breakdown by theme of the EU contracts supporting PAR and PFM. Key activities included: support for the EU Advisory Group, providing policy advice in preparation for the Association Agreement/DCFTA (EUR 6.2 million) managed by UNDP; a sector budget support contract for preparations for the Association Agreement<sup>132</sup> (EUR 36.8 million); another SBS for public finance policy reform (EUR 8 million); and the service contract 'Development and Strategic Studies' project (EUR 1.5 million), which assists the EUD with donor coordination, *inter alia*.

<sup>131</sup> OECD DAC data extracted 10/9/2019. Excludes 43010 multisector aid, which is too diverse to be fully counted as support for public administration reform

<sup>132</sup> Support to the Government of Armenia for the implementation of the ENP AP and preparations for the future Association Agreement – Phase

Table 11: Summary of contracts 2009-2018

Summary of Contracts 2009-2018 <sup>133</sup>				
DAC sector code	Sector description	No. contracts	Total planned amount (EUR)	Total paid by end 2018 (EUR)
15110 <sup>134</sup>	Public sector policy and administrative management	52	41,676,876	21,351,888
15111	Public finance management (PFM)	6	10,416,839	1,416,839
15112	Decentralisation and support to subnational government	8	2,749,660	1,179,483
15113	Anti-corruption organisations and institutions	2	194,131	194,131
16062	Statistical capacity building	2	1,990,932	1,490,932
43010 <sup>135</sup>	Multisector aid (selected relevant projects)	7	39,079,658	19,400,358
<b>Grand Total</b>		<b>70</b>	<b>96,108,096</b>	<b>45,033,631</b>

### Findings against judgment criteria

**JC 7.1** *There has been a positive change in the functioning of overall government performance, including within Public Finance Management (including budget transparency and oversight) (Good Governance)*

and

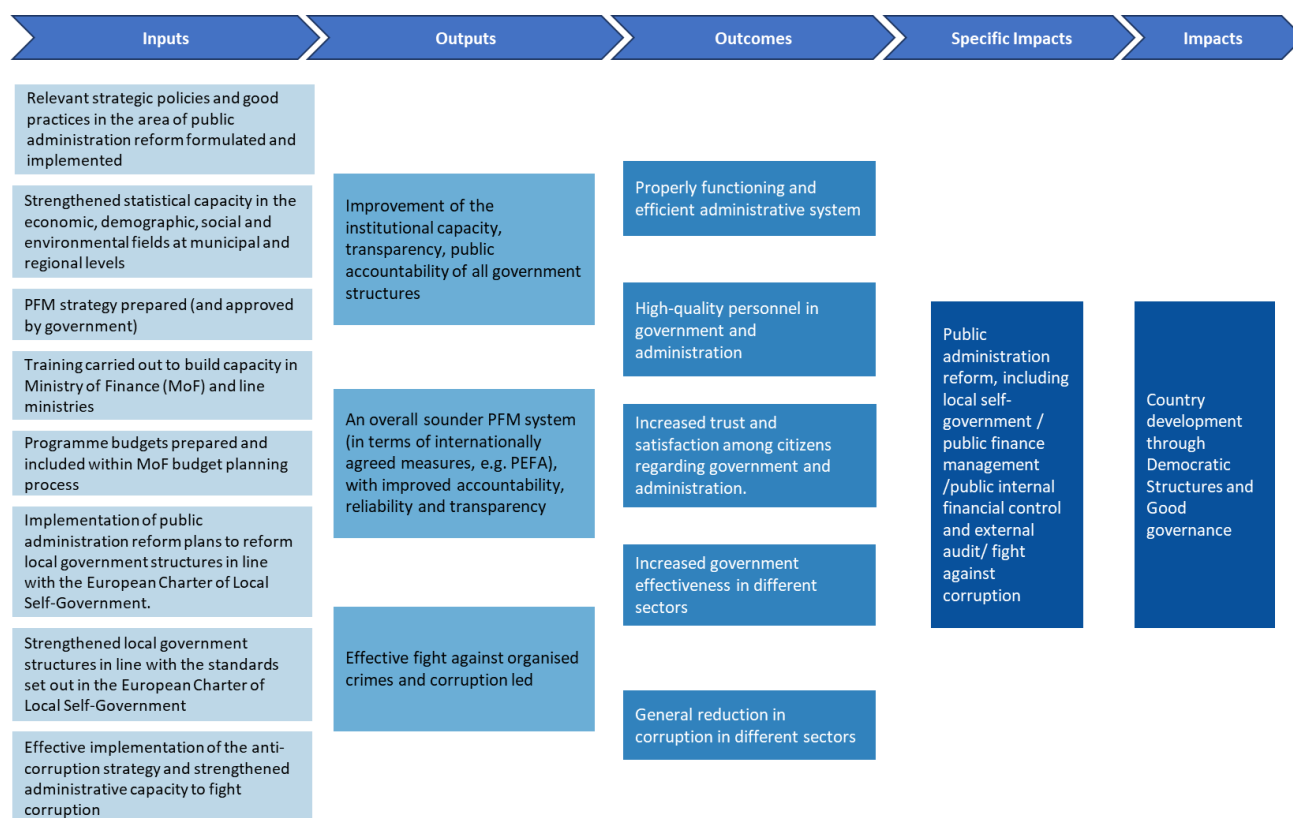
**JC 7.2** *The key changes in the PAR and PFM systems since 2010 are clearly identifiable and there is broad consensus on what these are (sectoral change)*

<sup>133</sup> Source: evaluation CRIS database

<sup>134</sup> Some of the projects coded by the EUD as 15110 should be elsewhere, e.g. Support to migration and border management in Armenia, and the Organic Agriculture Support Initiative. For consistency, they have been included in this table, but are considered by this evaluation under EQ 11 and EQ 9 respectively.

<sup>135</sup> Note that some public administration reform projects were coded as 43010 'Multisector aid'. The projects reflected in this table were manually selected based on the relevance of their titles to the theme of public administration reform. This is not the full set of projects under 43010.

Figure 20 Logic model for public administration reform including public financial management



A useful way to assess the performance of the public administration over the evaluation period is to look at the World Bank Worldwide Governance Indicators<sup>136</sup>. Four of the five indicators' dimensions correspond almost exactly to the outcome areas highlighted in the logic model, above.

The graph below summarises performance on some key dimensions. These indicators score performance from +2.5 (high) to -2.5 (low). The main area of improvement for Armenia is rule of law, while political stability saw a severe decline. Both control of corruption and voice and accountability – critical areas for assessing the performance of public administration – were very low and saw only marginal improvements. Government effectiveness saw a marked decline after 2013 – coinciding both with the signing of the Eurasian Economic Union (EEU) treaty and the end of the EU Advisory group, though it is not possible to draw any causal conclusions from this coincidence.

<sup>136</sup> See <https://info.worldbank.org/governance/wgi/#home>

Figure 21: Scores on World Bank Government Indicators (Armenia)

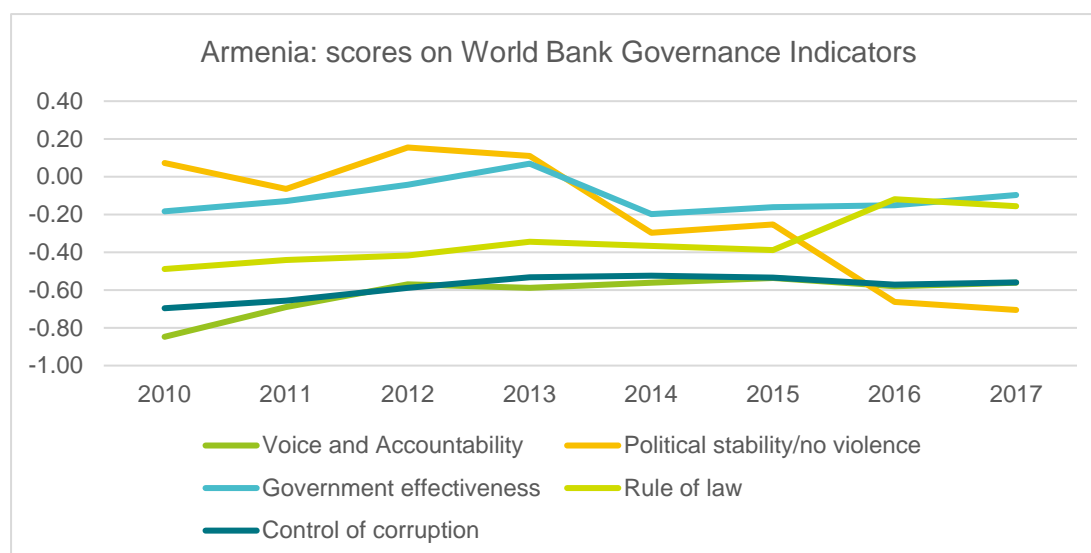


Table 12: Armenia ranking on Worldwide Governance index dimensions

Armenia ranking on Worldwide Governance Index dimensions			
	Rank (100 top, 0 bottom)		
	2009	2017	Trend
Voice and Accountability	23.70	32.02	↗
Political stability/no violence	52.61	20.48	↘
Government effectiveness	54.55	50.00	↘
Regulatory quality	60.77	64.42	↗
Rule of law	39.81	49.52	↗
Control of corruption	29.67	32.69	↗

**JC 7.3** *The priorities of the sample programmes meet issues identified in analyses of the public administration and public financial management (relevance)*

The three phases (two under the time period for this evaluation) of the EU Advisory Group project aimed to assist the Armenian government in the preparations for signing the Association Agreement and DCFTA. These agreements, particularly in the trade area, are complex, and the Armenian government requested and received help in the form of high-level policy experts across thematic policy areas including human rights, trade and democratic reform. While ostensibly a public administration reform project, the evaluation report notes that “In horizontal matters (Public Administration Reform and others) no particular initiatives were planned, and none reported”. Moreover, the same report continues to say “good policy making practice was never introduced by the project (although stated in initial Overall Results Performance Plan); this is particularly vexing because the project as a policy advisory project would have been able to supply “live” good practices from on-going advisory support.”<sup>137</sup>

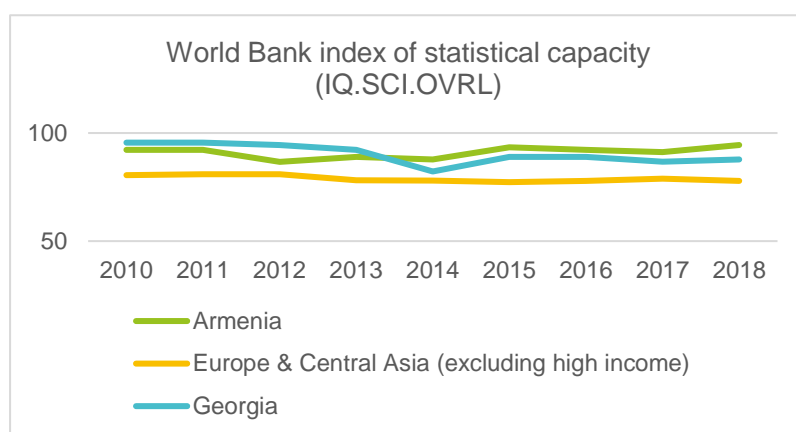
While corruption remains a high concern, and now a priority for the new Government, there was little dedicated attention paid to this during the evaluation period 2010-2017 (EUR 194,000 and 2 projects out of 70). This is probably because of the few opportunities realistically to tackle corruption in the absence of clearly demonstrated political will.

<sup>137</sup> Final Evaluation of the EU Advisory Group to the Republic of Armenia –Phase III, Evaluation Report, December 2014 pages 13 and 14

The 2009/2010 SIGMA review of the civil service highlighted a range of issues across the administration. These included: concerns with the model and role of the Civil Service Council, the body with main responsibility for civil service reform and development; the need to establish a common set of principles and basic rules for the entire public service; the need to review the civil service legislation adopted in 2001; and the rapid adoption of legislation to tackle corruption in the public service. EU support in this area was restrained somewhat, primarily because of a perception that the direction of reform was not clearly defined and a reservation about the clarity of responsibility for implementation.

Two EU-supported twinning programmes provided assistance for the national statistics service focused on statistics reform. While the projects were reported successful by participants and in project reports, we see only a slight improvement in the country's statistical capacity (see Figure 22 below). Although, to be fair, capacity was already strong at the start of the period and remains rather stronger than the regional average.

Figure 22: ODA disbursements for legal and judicial development 2010-2017



Support in the area of public financial management, the EU, together with other development partners, was much more coherent and strategic, and likely contributed to some major reforms. The earliest steer came from the Strategy for Reforming the Public Finance Management System (PFMS) 2011-2020 and its accompanying action plan. This strategy itself was likely achieved at least partially as a result of the substantial budget support provided through the MSBSP I<sup>138</sup> where some of the complementary technical assistance was engaged in developing the strategy. Public expenditure and financial accountability (PEFA) assessments were carried out in 2008 and 2014. These provided added data and ownership for a series of reforms and actions to strengthen key institutions. It was followed with a second phase, funded from the EaPIC initiative on the principle of 'more for more'. The scope and scale was significantly cut when Armenia declared its intention to join the EEU in 2013. The 2014 PEFA provided the basis for a third budget support programme, agreed in 2016, which built on the experience of the earlier programmes.

<sup>138</sup> Support to the GoA for the implementation of the ENP Action Plan and preparations for the future Association Agreement', and the FA signed on 18th November 2011 (and known subsequently as MSBSP I)

Table 13: Selected PFM contracts

Contract year	Contract no.	DAC code	Name	EUR planned	EUR paid (as of end 2018)
2011	280051	51010	Support to the Government of Armenia for the implementation of the ENP Action Plan and preparations for the future Association Agreement	17,600,000	17,600,000
2012	306473	43010	Support to the Government of Armenia for the implementation of the ENP AP and preparations for the future Association Agreement – Phase II	36,800,000	17,800,000
2016	383263	15111	Public Finance Policy Reform Programme	8,000,000	0

Reforms in public financial management had a clear direction and clear leadership and management capacity, unlike public administration reform, and so was able to attract significantly more support and confidence in the likelihood of a successful outcome.

**JC 7.4** *EU-supported interventions contributed to relevant and sustainable changes in the systems of public administration and PFM (impact)*

and

**JC 7.5** *Changes in the public administration/PFM systems resulting from EU interventions are likely to remain over the coming years (sustainability)*

Changes in the civil service and public administration overall were piecemeal rather than systemic. The SIGMA report of 2019<sup>139</sup> provides a detailed account of the achievements and key issues remaining in the public administration system. It concludes that the strategic framework for public administration reform is weak, that policy development and coordination is not comprehensively supported with guidance from the centre of government, and that the quality of strategic planning and monitoring is poor. Implementation of the 2017 law on the civil service creating a new institutional and legislative framework to promote integrity and prevent corruption has not begun.

In PFM by contrast, progress is more robust. The legal and operational framework is established and the legal framework for internal audit is in place and operational. Many areas supported by EU cooperation are in place and functioning, though with inevitable areas for improvement. Programme budgeting is more or less working, and more support is being provided through the 2016 PFM budget support programme. The State Revenue Committee is reportedly stronger, and tax revenues as a percentage of GDP have increased from 17% to 21% between 2010 and 2017<sup>140</sup>. External audit – through the Chamber of Control (CoC) – is established and being supported, though critical problems remain<sup>141</sup>.

Lessons can be learned from the relative performance of PFM over public administration reform. In both cases, budget support funds were available, with technical assistance, twinning and policy dialogue. The greater success in PFM is likely due to i) the clarity of management responsibility for reform on the government side, ii) strong coordination and coherence between donors and international organisations providing support, and iii) regular evaluation and review that provided clear direction. That the SIGMA 2019 assessment is the first to look properly at public administration indicates that there was little strategic clarity on what needed to be done

<sup>139</sup> Baseline Measurement Report: The Principles of Public Administration, ARMENIA, March 2019. SIGMA – OECD/EU <http://www.sigmaweb.org/publications/Baseline-Measurement-Armenia-2019.pdf>

<sup>140</sup> World Bank, <https://data.worldbank.org/indicator/GC.TAX.TOTL.GD.ZS?locations=AM>

<sup>141</sup> SIGMA 2019: “The 2018 Law on the Public Audit Chamber is an improvement on the 2006 Law on the Chamber of Control, but it does not satisfactorily define the AC’s independence, mandate and access to information. The audit activities of the AC do not yet comply with international standards.”



in PAR prior to this, while the PEFA reviews in 2008 and 2014 did provide a comprehensive and clear path for all interested parties to support.

The EU Advisory Group projects missed the opportunity to contribute to more structural (and therefore sustainable) reform in policy making and policy implementation.

***JC 7.6 Selected sample interventions delivered institutional change in a timely and cost-effective manner (efficiency)***

The majority of the cost in this area was allocated through both budget support and financing agreements. This immediately raises the concern that without competitive pressure, the efficiency of the operations would suffer. In the case of the budget support programmes, implementation has proven slow and beset by institutional issues. Disbursement of funds for the 2016 Public Finance Policy Reform Programme had not begun by the end of 2018, meaning that the first conditions had not yet been met (unusually, the three 2016 budget support programmes did not have initial tranches of payment on signature of the agreements). Implementation was inevitably slowed during the political crises between 2017 and 2018, and the new Government has taken some time to find its feet.

***JC 7.7 Selected sample projects delivered institutional change according to the agreed plans (effectiveness)***

The two relevant ROM reports<sup>142</sup> available suggest that efficiency across the sector is mixed. The twinning with the statistical office was able to deliver results on time and to budget, while the support to the central external audit institution (CoC) was considerably delayed. The former project was relatively constrained and defined in its scope and did not require extensive institutional reform or legislation change, while the latter was the opposite.

### *Conclusions*

Public administration reform has attracted relatively little support compared to public financial management, and results reflect this. The constraining factor has been mostly on the Government side, with a lack of clear responsibility and poorly developed strategies for PAR. Conversely, PFM has had clarity and focus, and has therefore attracted the confidence of international donors. Clear analysis and strategies have guided donors to provide coherent and complementary assistance.

Interventions including the EU Advisory Group and twinning projects provide technical assistance in the form of advice and training but have not sufficiently engaged in supporting structural and organisational reforms that would support more sustainable performance improvements in policy making and policy implementation.

Armenia has been traditionally performing poorly in its control of corruption and voice and accountability of governance. These are areas that have been very much neglected in EU programming – most likely for lack of enthusiasm from the Government. Nevertheless, these are areas that are promoted under the Eastern Neighbourhood policy and the EU could explore more creatively how to lay the groundwork for more effective support in these areas. The change of government in 2018 is an opportunity to reset programming and increase investment that would support accountability in the longer term. Future work can be underpinned by the recent SIGMA report on public administration in Armenia, which provides an excellent baseline analysis for further work.

<sup>142</sup> ROMs: C-347714 Strengthening of the National Statistical System of Armenia - II phase 02/12/2016; C-346003 Strengthening the Independence, Effectiveness and Transparency of the Armenian External Audit system, 27/07/2016

## 4.8. EQ 8 – Human Rights and Civil Society

**EQ 8 To what extent, and how, has the EU assistance to Armenia contributed to enhancing the protection of Human rights and fundamental freedoms, and civil society development?**

### *Context*

The Constitution of Armenia guarantees civil liberties, freedom of expression and freedom of assembly and association. However, Armenian human rights groups have highlighted the misuse of the penal code to intimidate protesters and prevent protests deemed unfavourable by the Government<sup>143</sup>. According to Human Rights Watch, authorities have used excessive force against peaceful protesters and pressed unjustified criminal charges against protest leaders<sup>144</sup>. Nations in Transit Report 2017 shows a declined rating of National Democratic Governance (from 5.75 to 6.00 on a scale from 1 to 7, where 1 is the most democratic and 7 is the least democratic) justified by the inability of the Government to address legitimate popular grievances before they spill over into protest, and then to resolve those protests without violence<sup>145</sup>. Although the positive development could be seen in 2018. Nations in Transit Report for 2018 shows an increase in the rating of National Democratic Governance (Score 5.43).

In terms of civil liberties, the context is Armenia has not changed over the past decades, with a score of 4 in the Civil Liberties Index from the Freedom house (7 : weak - 1 : strong)<sup>146</sup>, while the situation for political rights improved slightly (from a score of 6 in 2010 to a score of 4 in 2019 (7 : weak - 1 : strong)<sup>147</sup>.

In terms of “Voice and Accountability” the beginning of the period covered by this evaluation coincided with the worst score obtained by the country since 1996 (-0.88). It improved over the past ten years with a score of -0.56 in 2017 (-2.5 weak; 2.5 strong; -0.03 points being the 2017 average) and -0.11 points in 2018<sup>148</sup> (see Figure 21).

Media freedom faced challenges during the period of the evaluation. Most print and broadcast outlets are affiliated with political and commercial interests, and journalists are known to practice self-censorship to avoid harassment. Most independent outlets carrying out investigative journalism operate online, accessible to most of the population.

Civil society in Armenia includes a few outspoken organizations and watchdog groups, mostly in Yerevan<sup>149</sup>. Non-governmental organizations lack local funding and rely largely on the support of foreign donors. In December 2016, the parliament passed a new Law on Public Organizations, which was developed with extensive input from civil society and had been on the civil society and government agenda for several years. The law allows public organizations to directly engage in income-generating activities and represent their constituents' interests on environmental issues in courts, and requires organizations receiving public funding to submit annual financial reports<sup>150</sup>.

### *EU assistance*

In this context, support to human rights, fundamental freedoms and civil society development was a priority for the EU assistance to Armenia over the period 2010- 2017. The NIP 2007-2010 and 2011-2013 have very similar priority areas and both include the priority area on rule of law, judiciary reform, public administrative reform (PAR) and **human rights (HR), civil society and fundamental freedoms**. In the NIP 2014-2017, civil society support is isolated in a “complementary support” section. The human rights objectives were one of the main priority areas in EU cooperation in Armenia and primarily focused on improving respect for human rights and

<sup>143</sup> Civicus Monitor, <https://monitor.civicus.org/country/armenia>

<sup>144</sup> Human Rights Watch Report 2017, Armenia, <https://www.hrw.org/europe/central-asia/armenia>

<sup>145</sup> Nations in Transit 2017, Armenia Country Profile, <https://freedomhouse.org/report/nations-transit/2017/armenia>

<sup>146</sup> Compiled by the Global Economy platform [https://www.theglobaleconomy.com/Armenia/civil\\_liberties/](https://www.theglobaleconomy.com/Armenia/civil_liberties/)

<sup>147</sup> [https://www.theglobaleconomy.com/rankings/political\\_rights/](https://www.theglobaleconomy.com/rankings/political_rights/)

<sup>148</sup> [https://www.theglobaleconomy.com/rankings/wb\\_voice\\_accountability/#Armenia](https://www.theglobaleconomy.com/rankings/wb_voice_accountability/#Armenia)

<sup>149</sup> Freedom House, Freedom in the World 2016, <https://freedomhouse.org/report/freedom-world/2016/armenia>

<sup>150</sup> USAID 2016 CSO Sustainability Index (CSOSI) for Central and Eastern Europe and Eurasia, <https://www.usaid.gov/europe-eurasia-civil-society>

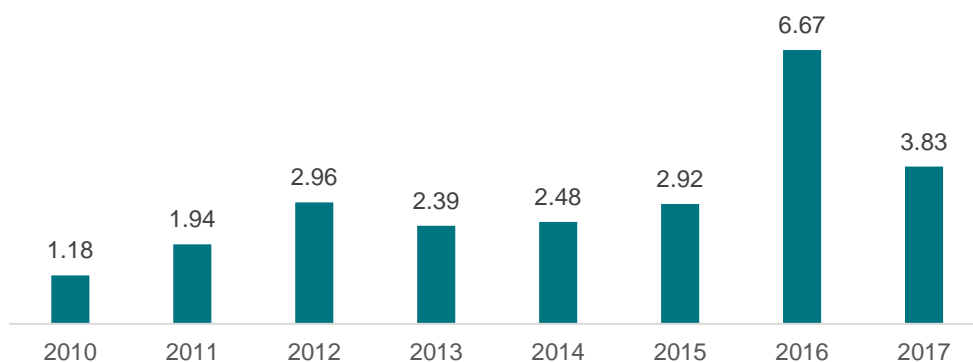
fundamental freedoms during 2007-2013, while in 2014-2017 the focus shifted to promotion of effective and timely protection of human rights. The assistance was provided in the form of a budget support programme combined with a number of bilateral and regional projects implemented mainly by the Council of Europe, Penal Reform International UK, International Alert, UN Women, UNDP, CARE, Konrad-Adenauer, World Vision UK, Armenian Young Women Association NGO.

The focus of EU support in the period under review moved from promotion of active participation of civil society in public and social life in 2007-2013 to supporting civil society initiatives that promote anti-corruption reforms and act as government watchdogs in Armenia as well as development of civil society internal professionalism and capacities and improving the delivery of services in 2014-2017.

The amounts disbursed through EU cooperation for this priority area have increased over the period, from EUR 1.18 million EUR in 2010 to EUR 3.83 million in 2017, after a massive rise in 2016 with EUR 6.67 million. That year EUR 4.2 million were disbursed under the budget support intervention “Support to Human Rights Protection in Armenia”.

Figure 23: Disbursed amounts for human rights and civil society focused projects (source: CRIS and MIS database, European Commission)

### Amounts disbursed (EUR millions) on human rights & civil society focused projects



Over the evaluation period, 43.29 M EUR had been committed through EU interventions targeting these four areas: Democratic participation and civil society, Elections, Human rights and Media and free flow of information. Only 56% of this funding was disbursed by 2017.

Table 14: Planned amount and sum executed

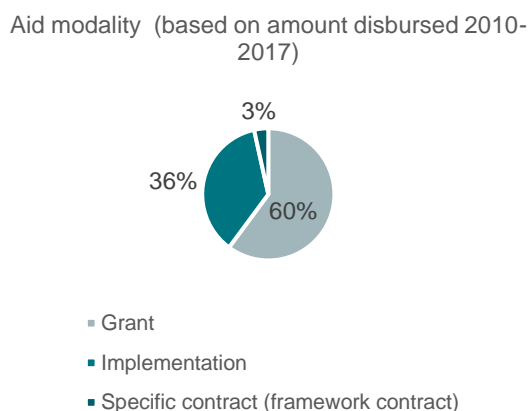
	Sum of Planned amount (EUR millions)	Sum of Total Paid amount 2010-2017 (EUR millions)	% P
Democratic participation and civil society	12.12	7.70	64%
Elections	3.88	3.88	100%
Human rights	26.98	12.51	46%
Media and free flow of information	0.32	0.30	93%
<b>Total</b>	<b>43.29</b>	<b>24.39</b>	<b>56%</b>

Three key financing instruments were used to implement the EU assistance in this area: the European Neighbourhood Instrument (ENI), the European Neighbourhood Partnership Instrument (ENPI) or from the DG NEAR Thematic Strategy (NEAR-TS).

Table 15: Financial instruments and expenditure

Financing instruments	Sum of Total Execution 2010-2017 (EURm)
NEAR-TS	8.73
ENPI	8.31
ENI	7.35
Total	24.39

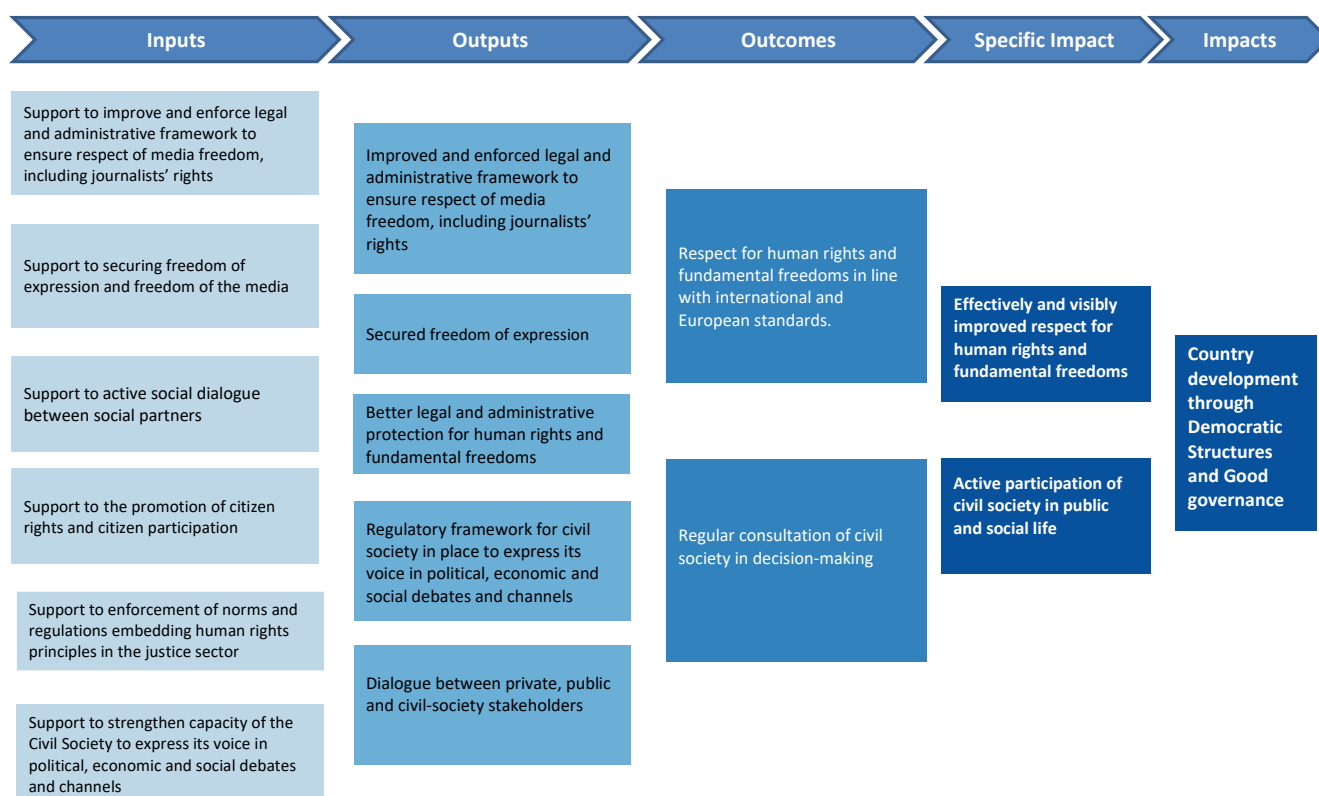
Figure 24: Aid modality



Among the interventions implemented between 2010 and 2017, there were 15 contracts with amounts disbursed over EUR 500,000<sup>151</sup>.

**Findings against judgement criteria**

Figure 25: Logic model for human rights and civil society



**JC 8.1** *The priorities of the sample programmes were intended to address challenges and issues identified in independent (i.e. non-EU) analyses of human rights and civil society*

The challenges identified by international (and non-EU) organisations include, as detailed above, non-respect of civil liberties, low institutionalization of human rights, low level of society representativity and activism, low level of accountability, inefficient media freedom.

<sup>151</sup> For details see Annex 9 (Volume III) Section 5: EQ 8 Civil Society, Subsection 5.7.4 Amounts Disbursed to Priority Areas, p161-163

Since 2009, EU and Armenia hold Human Rights Dialogues. Human Rights Dialogues take place once per year (Brussels or Yerevan) and provide an opportunity to discuss in an open and comprehensive way a full range of issues related to the human rights situation in both Armenia and the EU. The government actors were involved in the design and implementation of bilateral Commission interventions during the whole period under review in this sub-sector, while the involvement of non-government actors in the design and implementation of thematic Commission interventions gradually improved and became frequent starting from 2011 through the introduction of the dedicated Civil Society Facility (2011-2013) that empowers CSOs to contribute to policymaking and hold governments accountable.

Since early 2016, the Commission has contributed to the dialogue with civil society by contracting a group of consultants to work with CSOs on monitoring GSP+ clusters on human rights and justice, labour rights, environment, and good governance. This monitoring makes it possible to draw a more realistic picture of Armenia's fulfilment of its commitments.

The EU cooperation with Armenia aimed at strengthening of the civil society organizations' capacity to constructively and effectively contribute to reform process, to play a greater role in influencing democratic decision-making and policymaking, to encourage transparency and accountability as well as to increase the public trust in the civil society in the country. The EU assistance in the field of civil society supported the implementation of the Armenia's Human Rights Country Strategy adopted in October 2012 and respective Action Plan for the period of 2014 - 2016 adopted in February 2014. The main priorities of the Strategy included civil and political rights, economic, social and cultural rights, as well as key vulnerable groups. Furthermore, the support was provided for implementation of 2004 Law on establishment and development of the Office of the Human Rights Defender of the Republic of Armenia (HRDO). The HRDO has been rated as fully compliant (level A) with the Paris Principles by UN Special Rapporteur on the situation of human rights defenders<sup>152</sup>. In March 2019, as a result of the assessment on its compliance with the Paris Principles by GANHRI in Geneva, the HRDO retained its "A" status. In 2018, the Ombudsman was praised by various international actors such as the EU<sup>153</sup> and European Court of Human Rights<sup>154</sup> for monitoring different peaceful protests and striving to protect human rights in the country. The need to increase effectiveness of the activities of civil society organizations as well as promote their cooperation with public administration and local self-government bodies are among the pillars of this strategy.

In terms of civil society, the key EU priorities as specified in the Communication 'The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations' are three-fold and include i) Enhance efforts to promote a conducive environment for CSOs in partner countries; ii) Promote meaningful and structured participation in programming and policy processes to build stronger governance and accountability at all levels; iii) Increase local CSOs' capacity to perform their roles as independent development actors more effectively. All these priorities were reflected in the EU funded projects interventions in Armenia. In addition, the EU support in the country was coherent with the Strategy of the Eastern Partnership Civil Society Forum for 2015-2017 and thematic priorities of Working Group 1 "Democracy, Human Rights, Good Governance and Stability" and Working Group 4 "Contacts Between People".

The EU Roadmap for Engagement with Civil Society for 2014-2017 was adopted by the EU Delegation and EU Member State embassies to improve the impact, predictability and coherence of EU support to the civil society. The consultations with the civil society conducted by the EU Delegation in 2018 revealed that the previous Roadmap was used only to a limited extent and few resources have been dedicated to its follow-up and evaluation. As of October 2018, the new Roadmap reflecting the changed in the political context, legal framework and the new role of civil society after the 2018 change of government was being prepared by the EU Delegation, in consultation with the civil society organisations and EU Member State embassies. Promoting dialogue and cooperation between civil society stakeholders from both Armenia and the EU sides were

<sup>152</sup> The World Report on the Situation of Human Rights Defenders, 2018, Available at: <https://www.protecting-defenders.org/sites/protecting-defenders.org/files/UNSR%20HRDs-%20World%20report%202018.pdf>

<sup>153</sup> Emerging Europe (2018). 'EU Praises Armenia's Human Rights Ombudsman'. September 19, 2018, Available at: <https://emerging-europe.com/news/eu-praises-armenias-human-rights-ombudsman/>

<sup>154</sup> Panorama.am (2018) 'ECHR chief praises work of Armenian Ombudsman's Office' February 26, 2018. Available at: <https://www.panorama.am/en/news/2018/02/26/ECHR-Armenian-Ombudsman's-Office/1911331>

embedded as an integral part of the relations between the EU and the Republic of Armenia in CEPA signed in November 2017.

The focus on human rights protection and civil society development also materialised through synergies with interventions in other focus areas such as rule of law, justice reform and fight against corruption, synergies and opportunities that could be further explored. Since May 2018, the Government of the Republic of Armenia has committed to the unwavering fight and campaign against corruption. In this context the Anti-Corruption Strategy introduced institutional framework focused on prevention, examination and education. It includes issues related to the establishment of the anti-corruption institutional body, anti-corruption court, penalization of illegal assets, verification of property status of public persons and enlargement of the asset and property declaration system. Recently, a number of corruption-related criminal cases, including against high-ranking officials, were instituted and examined.

A good example of promotion of synergies can be seen in the field of rule of law and human rights when the European Union and the Council of Europe agreed in April 2014, in a Statement of Intent, that targeted cooperation activities with Armenia, Azerbaijan, Georgia, Republic of Moldova, Ukraine and Belarus – the EU's Eastern Partnership countries – would be implemented under a “Programmatic Cooperation Framework” (PCF). These cooperation activities intend to strengthen the capacity of Eastern Partnership countries, which are Member States of the Council of Europe, with the exception of Belarus, and to implement domestic reforms to bring them closer to the standards of the Council of Europe and the European Union in the fields of human rights, democracy and the rule of law. The PCF was signed in December 2014 and was to be implemented in two phases: 2015-2017 and 2018-2020. In Armenia, there were 11 projects supported in the framework of PCF (5 bilateral and 6 regional) during 2015-2017. They focused on supporting the implementation of the judicial reform in Armenia, with special focus on criminal justice along with promotion of human rights, particularly in prisons. However, the mid-term evaluation of PCF indicated that the potential of the synergies that lie both within the PCF initiative, across projects, themes, and countries and with external partners have not explored to their full extent, and there was insufficient engagement with civil society in the programming of PCF as a whole, and of its projects and activities (Mid-term Evaluation of the first phase of the implementation of the EU-CoE Programmatic Cooperation Framework in the Eastern Partnership Countries, DAI, 2017).

### ***JC 8.2 EU-supported interventions contributed to relevant and sustainable changes in the civil society and human rights sectors/spheres***

Regarding reforms, a number of legislative improvements regarding human rights took place. Several legislative changes were introduced in the RoA Criminal Code (CC) in 2015, which brought the definition of torture in compliance with the UN Convention Against Torture<sup>155</sup>. Serious concerns remain as reforms could have been pushed further. For example, the Criminal Code does not criminalize inhuman and degrading treatment, which impedes effective investigation into the cases that do not amount to torture, and there were no tangible developments in ensuring effective investigation into the cases of torture and ill-treatment.

The National Strategy for human rights and its Action Plan for 2014-2016 were set up during the evaluation period, but lacked measurable targets with timelines, responsibilities and monitoring and evaluation. Supported by the EU assistance aiming at strengthening institutions and supporting good governance in Armenia, in February 2017, the government adopted a new Action Plan for 2017-2019, created an inter-governmental Coordinating Body chaired by the Prime Minister, and envisaged public hearings with civil society organisations on its implementation to be held every six months. Although substantively improved, the new Action Plan would benefit from an even clearer mechanism for monitoring progress.

<sup>155</sup> Background information: With regard to the compliance to the UN Convention on Torture, on June 9, 2015, the National Assembly of the Republic of Armenia adopted the draft laws on Amendments and Addenda to the Criminal Code and Criminal Procedure Code of the Republic of Armenia. The need for the adoption of these amendments was due to the need to ensure the compliance between the UN Convention against Torture and the Criminal Code of the Republic of Armenia and to ensure the implementation of the judgments of the European Court of Human Rights. Thus, as a result of the legislative amendments under the discussion, full compliance has been ensured between domestic law and international obligations and the crime of torture now fully complies with Articles 1 and 4 of the UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.



Ground-breaking support to Human Rights Protection was introduced by a EUR 17 million unprecedented budget support programme, which aims at: i) addressing some of the shortcomings in the election process in the country; and ii) advancing the adoption of a law on preventing and combating domestic violence; assisting with the adoption of a legal package to provide social services to children with disability. Armenia is a signatory to more than 50 international human rights conventions, including all fundamental conventions. However, it has not yet ratified the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights and the Optional Protocol to the Convention on the Rights of Persons with Disabilities<sup>156</sup>Ratification of the Convention on Protection of the Rights of All Migrant Workers and Members of Their Families is also still pending<sup>157</sup> (ENI Progress Reports 2014).

An EU contribution of EUR 7 million helped achieve higher levels of transparency in the April 2017 parliamentary elections, through procurement of voter identification devices and other technical support to Central Election Committee. The positive trend could be observed in enhancement of electoral system which was achieved through the amendments of the Electoral code in line with Council of Europe and OSCE/ODHIR standards with exception of some issues connected to complaint and appeals procedures, “mainly concerning the issue of granting broader standing to bring challenges and reconsidering the time limitation on recounts”. However, the Criminal Code was not amended to include the offences of abuse of official position and of administrative resources for campaigning.

Armenian authorities have not taken necessary measures to uphold the international commitments concerning ensuring diversity of broadcast media, transparency of media ownership and proper implementation of the digital switchover. Media ownership is still not transparent; the law does not require disclosing media ownership. The main shareholders of television companies are either representatives of political elites or large businesses, which leads to full control of broadcast media. The broadcast legislation does not guarantee independence of the national regulator.

At the same time, limited progress could be observed with LGBTI rights. A draft bill prohibiting all forms of discrimination was put on hold, with provisions expressly prohibiting discrimination on the basis of sexual orientation removed. Prevention and prosecution of hate speech was not adequately addressed. Police impunity remains a challenge, as does the overuse of pre-trial detention and limited options for non-custodial sentencing. Although, important steps were undertaken in reforming childcare and child protection institutions, including the improvement of services for disabled children. Nevertheless, specific actions, including the adoption of special legal framework targeted at disabled children specifically, aiming at the establishment of professional services to them are still missing.

***JC 8.3 Changes in the civil society and human rights sectors resulting from the sample EU interventions are likely to remain over the coming years***

While overall sustainability scores of CSOs did not change in Armenia, there is a reported improvement in at least three dimensions of long-lasting changes. The legal environment improved with the passage of a new Law on Public Organizations, which was developed with extensive input from civil society, as well as amendments to the Law on Foundations. Civic activism grew, with informal groups engaged in advocacy at the local level and formal CSOs and networks contributing to national policies through institutionalized channels. Financial viability also improved as CSOs increasingly used new technologies for crowdfunding, soliciting corporate donations, and establishing social enterprises to earn income (2016 CSO Sustainability Index for Central and Eastern Europe And Eurasia, p. 10). Armenia scored the second highest in Eurasia in the 2017 USAID CSO Sustainability Index, which also registered a second consecutive year of improvement for the country<sup>158</sup>.

Oversight by Parliament and civil society is reported to have improved over recent years, with increased numbers of public hearings and reporting by MoF. MoF have held monthly press conferences on budget execution for several years and at the same time publishes details of monthly budget expenditure’ (Review

<sup>156</sup> Note: The Optional Protocol was signed in 2019

<sup>157</sup> The above-mentioned laws are in the process of ratification according to the Law of the Republic of Armenia on International Treaties.

<sup>158</sup> <https://www.fhi360.org/sites/default/files/media/documents/resource-civil-society-organization-2017-regional-report.PDF>



Mission Report of Support to justice reform in Armenia Phase II, October 2014). At the same time, the level of trust to NGOs among the general public is still low, although improving. Caucasus Barometer Surveys indicate an increase in the level of trust to NGOs among the general public from 7% in 2008 to 23% in 2017. There is also a positive trend in terms of the decreasing of the level of full distrust, i.e. from 23% in 2008 to 16% in 2017<sup>159</sup>.

There have been positive trends in giving; however, public engagement is still varying and a structured approach to volunteering is not very common among CSOs. According to 2018 World Giving Index, the overall scores in terms of giving money increased more than 2.5 times in Armenia since 2010, while there is a slight decrease in terms of volunteering time and helping a stranger (i.e. 3% and 6% respectively).

The EU's assistance in the field of fundamental rights is developed in a context of on-going reforms, and feeds into an institutionalisation of human rights priorities. In this context, projects' impacts are to some extent "naturally" sustained by the development of institutions (such as the Justice Academy and School of Advocates). At the programming level, however, human rights projects do not systematically include a strategy for long-lasting impact. For example, the government increased funding to support establishment of the National Preventive Mechanism to be performed by HRDO. However, the general funding is still insufficient to cover the regular monitoring visits of the Department for the Prevention of Torture and Ill-treatment and NPM experts to places of deprivation of liberty (places for holding of arrestees and detainees; penitentiary institutions; psychiatric organisations; garrison disciplinary isolators; vehicles envisaged for transferring persons deprived of liberty; any other place, where upon the decision, order or instruction of a state or local self-government body or official, with the consent or permission thereof, a person has been deprived or may be deprived of liberty, as well as any such place which a person may not freely leave without the decision or permission of the court, administrative or other body or official).

Long-lasting change is more challenging in relation to civil society development. At ground level, despite an improved financial viability, the supported NGO and civil organisations often lack the capacity to maintain activities due to funding issues. For most of the evaluation period, there was no evidence that projects aimed at supporting civil society were sustainable because the enabling environment to allow for the development of a vibrant civil society was lacking.

Promoting dialogue and cooperation between civil society stakeholders from both Armenia and the EU sides was part of CEPA signed only in November 2017 with the foreseen establishment of a CEPA CSO Platform. It is too early to establish if this will generate long-lasting changes. However, the agreement contributes to more cooperation between these organisations and Armenian institutions, which in itself is a factor of sustainability.

#### **JC 8.4** *Selected sample interventions delivered institutional change in a timely and cost-effective manner*

Generally, considering the human resources needs of project management and the management processes of beneficiary organisations, the projects demonstrated an adequate level of delivery of results in view of available resources. At the programming level, there was a reasonable relationship between project inputs and outputs. Project reports suggest that budget design was adequate to enable the projects to meet their objectives. In other terms, where objectives could not be met, this was not due to budget restrictions; on the contrary, a significant percentage of some project budgets was not used.

There were cases of delays and timely progress finalisation of projects. Factors that negatively influenced project implementation were the length of reform processes, administrative bottlenecks, and political volatility. In addition to that, the major difficulty which caused delays related to the significant coordination efforts required by most projects, since they often involved several ministries and other stakeholders. For example, with the project 'Support to 2 electoral circles', differences in administrative and reporting procedures of the Commission, International organisations (in this case, the OSCE) and Armenian NGOs (15 implementing partners in this Project) have created certain difficulties.

<sup>159</sup> <https://caucasusbarometer.org/en/cb2008qe/TRUNGOS/>

It appears that for varied reasons including such delays, the funding committed to be disbursed during the period covered by the evaluation was not fully executed. Far from that indeed, as only 56% of the planned amounts were disbursed. The margin of improvement in the realisation of the interventions' objectives, the limitations encountered in the results obtained and their potential for long-lasting impact should therefore be considered in the light of only close to half (56%) the allocated funding being disbursed over the period.

### ***JC 8.5 Selected sample projects delivered sectoral change according to the agreed plans.***

The EU's assistance in the field of fundamental rights is developed in a context of on-going reforms, and feeds into an institutionalisation of human rights priorities. In this context, projects' impacts are to some extent "naturally" sustained by the development of institutions.

The EU Human Rights Budget Support programme 2016-2019 in Armenia contributed considerably to the adoption of the law against domestic violence as well as to the Government's commitment to sign the Council of Europe's Convention on preventing and combating violence against women and domestic violence (Istanbul Convention) in January 2018. Dialogue in the field of human rights was extended to various political fora and, in particular, within the context of the Human Rights Budget support programme signed in December 2015, which is expected to lead to improvements in the protection of human rights through the development of relevant legislation<sup>160</sup>.

The Support to the Office of the Human Rights Defender had a global objective of supporting the principal human rights oversight institution. Support to electoral reform made a direct contribution, in particular relative to minimising electoral fraud. Support was provided to an E-Civil Registry, which has also reduced the risks of voter fraud, and supports democracy and governance more generally.

The NGOs at the EaP CSF often launch campaigns that improve cooperation among the NGOs of the EaP countries and also highlight important issues in their respective countries. For example, in June 2019, the EaP CSF Armenian National Platform called for the institutionalisation of civil society dialogues in the framework of the CEPA. Similarly, NGOs have issued campaigns jointly with all EaP countries regarding domestic issues, such as gender equality, human rights and elections<sup>161</sup>.

The EU also advances the role of civil society in the CEPA. According to Article 103, civil society needs to be included in public decision-making by establishing an open, transparent and regular dialogue between public institutions and civil society. Although the CEPA provides the EU with leverage to further encourage the Armenian government to involve civil society more systematically in policy processes, this commitment remains to be implemented in practice. The CEPA and the EaP thus exemplify the EU's commitment to stimulating the development of civil society and the involvement of civil society in policy processes and dialogues with Armenia but also shows the limitations of such approach if the public authorities are not on board. The positive steps could be seen in launching of Government-Civil Society regular discussions on the CEPA Implementation Roadmap since spring 2019<sup>162</sup>.

### ***Conclusions***

Over the evaluation period 2010-2017, change and improvements in human rights and civil society was slow and barely perceptible. Some improvements occurred, such as the new legal framework for CSOs, the law on domestic violence, and the preparations for signing the Istanbul convention, and these were great successes considering the environment at the time.

It is the irony of this evaluation – particularly in the sphere of human rights – that it was 2018 that saw a revolutionary change, along with the hopes and optimism that go with such changes, and that that year is beyond the scope of this evaluation. Nevertheless, the evaluation team saw first-hand in Yerevan in May 2019 the atmosphere of expectation that the new Government would make much more rapid progress in human

<sup>160</sup> Report on EU-Armenia relations in the framework of the revised ENP, June 2018

<sup>161</sup> <https://eap-csf.eu/eap-csf-campaigns/>

<sup>162</sup> Background information: These discussions will be held on a regular basis in four working groups: 1. Justice, protection of human rights, rule of law, 2. Economic and sectoral cooperation, 3. Infrastructures, 4. Trade and trade-related matters

rights. On 17 October 2019, Armenia was elected a member of the Human Rights Council for 2020-2022, with 144 supporting votes. Armenia was among three countries who presented their candidacies for the two vacant seats allocated to the Group of Eastern European Countries (along with Poland and Moldova). Armenia's election to the Human Rights Council is a strong testimony to the recognition by the international community of its democratic transformation and substantial progress in terms of protection and promotion of human rights and fundamental freedoms.

The GoA has started several important initiatives in the area of human rights and reaffirmed its commitment to strengthen democracy, human rights and the rule of law through the signature of the CEPA with the EU, effective implementation will demonstrate political will in this area. Nonetheless, the efforts during the evaluation period were bold and ground-breaking.

## 4.9. EQ 9 – Trade and Economic Development

### EQ 9 To what extent, and how, has the EU assistance to Armenia contributed to promoting key economic reforms, trade, and economic development?

#### Context

The slow pace of market reforms and burdensome regulations have fairly consistently been cited as the key constraints for business over the evaluation period (see table below, and Annex 9, Section 6<sup>163</sup>).

Table 16: Binding Constraints to Business<sup>164</sup>

2007 (WB Doing Business Survey)	2013 (WB Enterprise survey)	2017 (Future Armenia: Connect. Compete. Prosper)
<ul style="list-style-type: none"> <li>Corruption</li> <li>Nepotism</li> <li>Interference by state authorities</li> <li><b>Uneven and unpredictable application of laws</b></li> <li>Weak banking sector</li> </ul>	<ul style="list-style-type: none"> <li>Tax Rates (28.3%)</li> <li><b>Tax Administration (23.6%)</b></li> <li>Political Instability (10.0%)</li> <li><b>Trade Regulations (7.8%)</b></li> <li>Access to Finance (6.7%)</li> <li>Informal Sector (5.7%)</li> <li>Corruption (5.4%)</li> <li>Access to Land (4.1%)</li> <li>Poorly Educated Workers (3.4%)</li> <li><b>Labour Regulations (1.8%)</b></li> </ul>	<ul style="list-style-type: none"> <li>Multi-connectivity constraints to international trade</li> <li>growth biased toward non-tradable</li> <li>low product diversification</li> <li>relatively little use of innovation and technology.</li> <li><b>Lack of progress in improving the investment climate and market contestability reforms</b></li> </ul>

Prior to 2014, EU support emphasized approximation with EU regulations and greater access to the EU markets as part of the process of achieving an Association Agreement (AA) and Deep and Comprehensive Free Trade Agreement (DCFTA). After Armenia joined the Eurasian Economic Union instead, EU strategy shifted to investing in support for agriculture and SMEs. This strategic shift is seen clearly in the contracting of EU financial assistance (see chart below).

#### EU interventions

There are three sub-themes that both Government policy and EU interventions sought to address:

- The Business Enabling Environment (BEE) which makes it easier for business (and SMEs in particular) to operate efficiently and competitively
- Supporting businesses to identify market opportunities in both national and international markets which include SME development as a stimulus for economic growth in Armenia and export development

<sup>163</sup> Annex 9, Section 6: EQ 9 Trade and economic development, pg. 200-238

<sup>164</sup> Sources: Enterprise survey <http://www.enterprisesurveys.org/data/exploreeconomies/>  
<http://www.doingbusiness.org/en/reports/global-reports/doing-business-2007>  
<http://documents.worldbank.org/curated/en/716961524493794871/Future-Armenia-connect-compete-prosper>

- Rural development and agricultural diversification to target employment and poverty issues in rural areas.

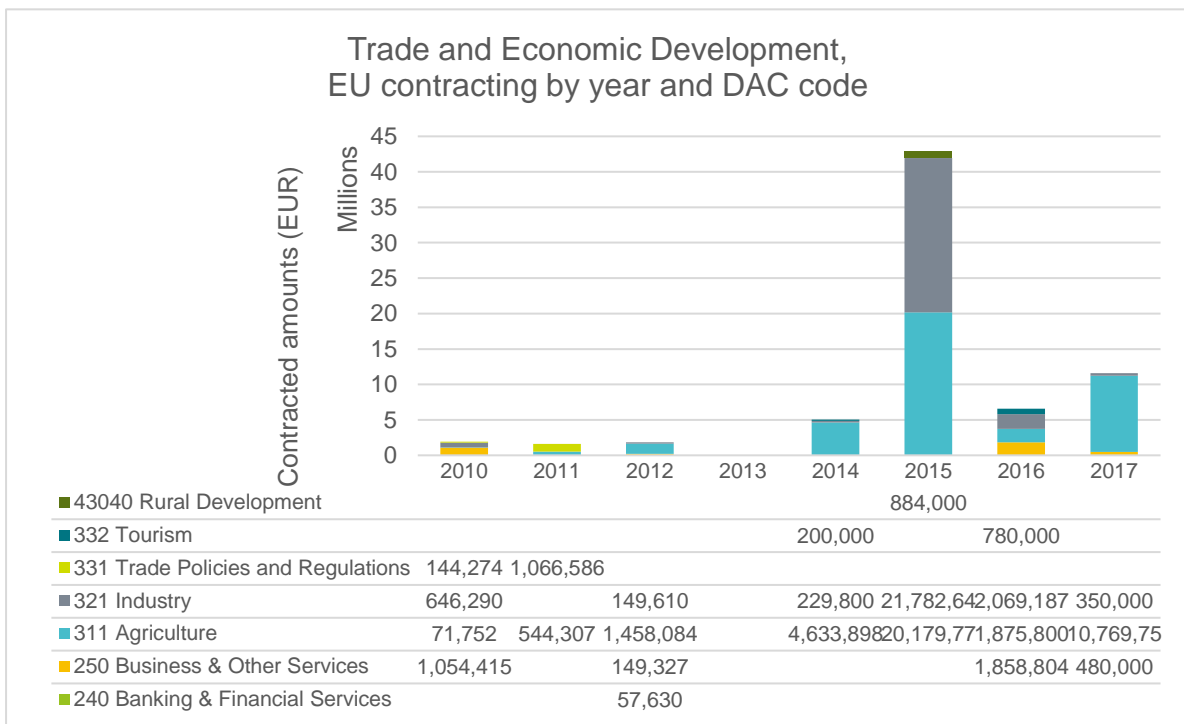
The EU provided Armenia with preferential market access under the GSP+ from 1 January 2014<sup>165</sup>.

The key project/programme interventions were at both regional and country level. At regional level, the SME Flagship Programme (launched in 2009 and branded EU4Business since 2016) is a wide-ranging regional initiative which aims to provide support to SMEs in the EaP countries to tackle the common challenges hampering the 6 EaP's countries' growth, including limited access to finance, difficulty to access new markets, lack of business skills and a difficult business climate. Also at regional level, the EU supported initiatives to improve the business enabling environment with the World Bank "Strengthening Auditing and Reporting in the countries of the Eastern Partnership (STAREP) (2013-18)"; and with OECD "SME Competitiveness Reforms in EAP (2013-17)."

At country level, EU projects in supporting market opportunities for business in Armenia (including SME development) before 2014 numbered only three and totalled EUR 0.5 million. From 2015, support in this area rose to 12 projects totalling over EUR 13 million.

In the half of the evaluation period, the EU financed nine programmes in the area of rural development and Agricultural Diversification totalling EUR 3.5 million. After 2014, funding increased – mostly under the ENPARD programme – to EUR 31 million.

Figure 26: EU contracts in Trade and Economic Development



### Response to judgement criteria

#### JC 9.1 There is an overall positive trend in the situation regarding trade and competitiveness since 2010

Armenia's economic development has been mixed. Whilst there have been improvements in competitiveness within domestic markets and significant improvements in Business Enabling Environment, external competitiveness, especially vis a vis the EU appears to have worsened. This is especially significant for a small country such as Armenia as economic development is dependent on exports due to the small domestic market. Agricultural output has grown, but there has been a disappointing move away from value added contribution to the economy. This happened – despite the granting of GSP+ in 2014 – the number of products with a

<sup>165</sup> Annex 9 (Volume III) Section 6, p219

comparative advantage in the EU market declined by 45%; relevant exports primarily involved low added value mining products. Development in rural areas has lagged in comparison to urban development. In terms of SME development, both SMEs and larger enterprises experienced growth and their added value increased during the evaluation period<sup>166</sup>.

**JC 9.2** *The key changes in the trade and economic development since 2010 are clearly identifiable and there is broad consensus on what these are*

There is evidence of improved economic performance over the investigation period, which demonstrate achievement of targets across the majority of indicators for interventions implemented under the cooperation priorities identified in the sub-periods 2007-10, 2011-13, 2014-17. Armenia also performed well in terms of Business Enabling Environment<sup>167</sup>.

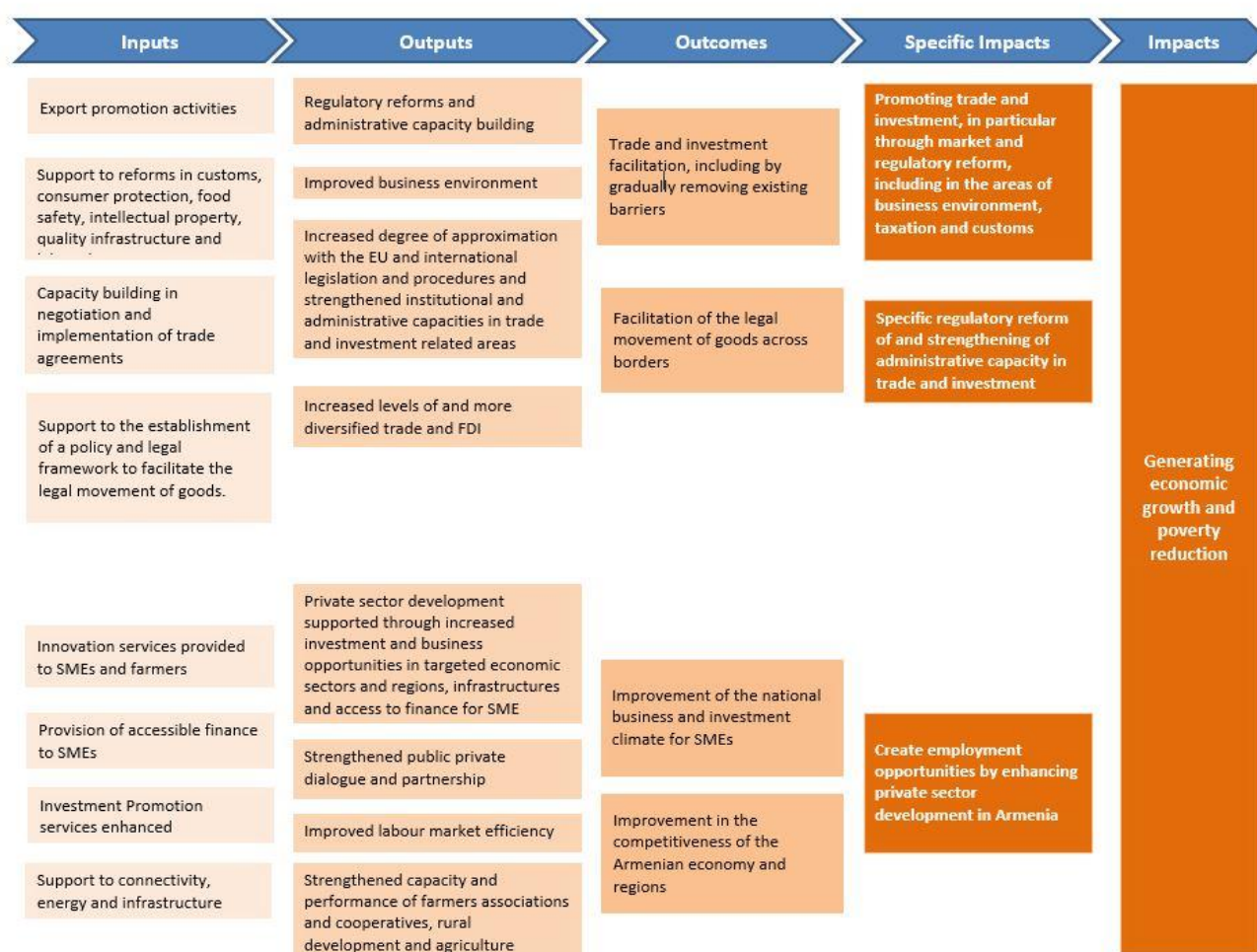


Figure 27: Logic model for trade and economic development

Despite the fact that general exports improved, there is general agreement among GoA representatives and BSOs that the country lagged behind in terms of development of trade, particularly taking into account the worsened competitiveness of Armenian products in the EU. Except for a number of agricultural products Armenian businesses have in general also not been able to utilize the full potential of the GSP+<sup>168</sup>.

<sup>166</sup> Annex 9 (Volume III) Section 6: EQ 9: Trade and Economic Development, Sub-section 6.6, p227: JC 9.1

<sup>167</sup> Annex 9 (Volume III) Section 6: EQ 9: Trade and Economic Development, Sub-section 6.6, p228: JC 9.2

<sup>168</sup> Annex 9 (Volume III) Section 6: EQ 9 Trade and economic development, Sub-section 6.6 Response to EQs by judgement criteria: p228 JC 9.2



### **JC 9.3** *There is alignment between EU interventions and the actual needs of the Armenian economy*

The overall EU strategy over the evaluation period was aligned with the strategy and objectives of the Government of Armenia, with some areas of differences<sup>169</sup>. In the first half of the period, the EU focused on approximation with the *acquis* (as preparation for the AA and DCFTA), although approximation did not address some of Armenia's priorities in economic growth and diversification<sup>170</sup>.

From 2014 onwards, the EU's shift to investment in agriculture and SMEs was closely in line with the needs of the Armenian economy. Armenia's large SME sector was underperforming in exports, and the agriculture sector was gradually reducing its value added. The Business Enabling Environment was addressed through two regional projects and components of the Support to SME Development in Armenia (SMEDA) project. Document review and interviews confirm positive consultation at the level of priority setting in programming<sup>171</sup>. By contrast, one evaluation found that for SME programmes, there were synergies between programmes and government strategy but no evidence of coordination<sup>172</sup>.

At programme/project level, beneficiaries were generally effectively engaged in the portfolio of interventions. Target beneficiaries were actively engaged in the interventions themselves. Examples include the technical assistance projects (TA) such as the EU Advisory Group, as well as grant schemes such as the Pilot Regional Development Programme (PRDP). Some interviewees reported that consultation regarding ENPARD was not sufficiently meaningful, with concern focusing on the buckwheat production component<sup>173</sup>.

### **JC 9.4** *EU-supported interventions contributed to relevant and sustainable changes in trade and economic development*

**This section is in reference to the EU contribution to the outcome level of the logic model.**

**Trade and investment facilitation, including by gradually removing existing barriers.** At the macro level, there is some evidence of improved economic performance in Armenia over the investigation period<sup>174</sup>. The EU has taken consistent steps towards supporting trade facilitation and development of the overall business environment and the SMEs in Armenia, but the evidence of a direct EU impact in this regard is limited, because of the long results chain from policy reform to benefit and growth in SMEs.

**Facilitation of the legal movement of goods across borders.** While general exports have improved, there is agreement among Government representatives and business support organisations (BSOs) that the country has lagged behind in terms of development of trade, particularly regarding the competitiveness of Armenian products in the EU<sup>175</sup>. Except for some agricultural products, Armenian businesses have in general not been able to utilize the full potential of the GSP+<sup>176</sup>. EU support for improvements in land border infrastructure have speeded up the physical movement of goods<sup>177</sup>.

**Improvement of the national business and investment climate for SMEs.** At the programmatic level, most of the SME and rural/agricultural development projects began recently and although progress and final reports show some evidence of increased numbers of SMEs<sup>178</sup>, investment and employment<sup>179</sup>, significant impact could be years away. The impact of projects that had a direct sub-granting components to SMEs in various sectors such as the PRDP projects was reported to be particularly clear and recognised.

<sup>169</sup> For further details please see Annex 6 (Volume II) Sub-section 6.6, p229 JC 9.3.

<sup>170</sup> *Ibid*

<sup>171</sup> *Ibid*

<sup>172</sup> EU Evaluation on support to SME Competitiveness in Enlargement and Neighbourhood Countries Final Report 5 July 2017. See Annex 9 (Volume II) Section 6, JC 9.3, Indicator 9.3.2, p231

<sup>173</sup> See Annex 9 (Volume II) Section 6, JC 9.3, Indicator 9.3.3, p233

<sup>174</sup> See Annex 9 (Volume III), Section 6.6 Response to EQs by judgement criteria: p227: JC 9.1

<sup>175</sup> This view is also supported by the statistics – see Annex 9.

<sup>176</sup> See Annex 9 (Volume II) Section 6, JC 9.2, p228

<sup>177</sup> See Annex 9 (Volume II) Section 7: EQ 10 Connectivity, p240-296

<sup>178</sup> E.g. Tavush Region integrated, and Balanced Economic Development project reported increased number of enterprises, increased competitiveness in 90 enterprises and 120 new jobs

<sup>179</sup> E.g. Twinning project 'Strengthening the Investment Promotion and Investment Policy Institutional Framework of Armenia (2014-2017, Business France, EUR 810,000) reported generating over 500 jobs

## **Improvement in the competitiveness of the Armenian economy and regions.**

In terms of SME development and agriculture there is some evidence of improved economic performance of SMEs and agriculture over the evaluation period, but the evidence of a direct EU contribution is for now limited<sup>180</sup>. The reported results of projects so far are relatively modest in scale compared to the size of the sector. The large investment in agriculture through ENPARD is expected to have positive results which will be more visible and measurable in the coming years, if the investment continues.

***JC 9.5** Achieved changes in the trade and economic development sectors resulting from the sample EU interventions remain in place and are likely to remain over the coming years.*

Evidence for sustainability of the selected sample of interventions is somewhat mixed. Technical advice provided through the EU Advisory Group has clearly influenced reform processes, and revised regulations remain in place. Advice provided through the EU Advisory Group project has also influenced the preparations for the CEPA, and this will clearly have a long-term impact. The project, however, did not achieve a significant change in terms of institutional capacity to formulate policy, and so could not be regarded as institutionally sustainable<sup>181</sup>.

Other projects are exposed to risks that may adversely affect sustainability. For example, the Support to SME Development in Armenia (2014-2017) is vulnerable to a potential change in the role and mandate of the SME Development National Center of Armenia (SME DNC). The development of a course in organic agriculture for use in education institutes is vulnerable to lack of demand from students (Organic Agricultural Support Initiative (OASIS) 2016-18)<sup>182</sup>.

***JC 9.6** Selected sample interventions delivered sectoral change in proportion to their cost, and were delivered on time*

Across the sampled economic development project portfolio, all but one were delivered on time or with minor delays as against the project schedules and within budget. In general, from the final reports on sample projects, the resources have been efficiently used and delivered to achieve results, although many of the selected projects are still on-going or have only just started and so no judgement has been made on these. Also, rural development and agricultural diversification/development in general delivered efficiently with ENPARD for example achieving 90% in the 2016 SBS assessment.

In all cases in the sample, beneficiaries received capacity building activities with no reported issues of receiving mentoring or training. Beneficiaries then delivered activities and there were no reported issues, so it is assumed that they have adequate capacities.

A full range of aid modalities were used in Economic Development projects in Armenia including contribution agreements, SBS, Twinning, grants and traditional technical assistance. All of these were implementing efficiently but there was no evidence of lower aid transaction costs, except minor mentions<sup>183</sup>.

***JC 9.7** Selected sample projects delivered sectoral change according to the agreed plans.*

Outputs were delivered in a timely manner, as measured against project results frameworks. In the vast majority of cases, all the outputs in the sampled interventions were delivered on time or with minor delays with the exception of ENPARD TA which required a no cost extension for FAO.

## **Conclusions**

EU support in trade and economic development was broadly relevant. The strategic shift in 2015, dramatically increasing investment in agriculture and SME development, was appropriate for the needs and is likely to

<sup>180</sup> See Annex 9 (Volume II) Section 6, JC 9.4, p233

<sup>181</sup> Final Evaluation of the EU Advisory Group to the Republic of Armenia Phase III, Evaluation Report, December 2014, FWC COM 2011, Lot 1 Studies and Technical Assistance in all sectors, EuropeAid/129783/C/SER/multi especially p77-78

<sup>182</sup> See Annex 9 (Volume III) Section 6, Sub-Section 6.6, JC 9.5, p235.

<sup>183</sup> See Annex 9 (Volume III) Section 6, Sub-Section 6.6, JC 9.6, p235



strengthen the EU's visibility throughout Armenia. Resources were allocated efficiently, and the modalities used were appropriate. It is hard to track a direct contribution from the EU's support for trade and regulatory reform, mainly because of the nature of this form of assistance. The results of the investments in SMEs and agriculture will be more apparent in the coming years. Many project level interventions are dependent on institutional sustainability for longer term impact; the more successful projects in this regard were able to invest time in careful consultation with stakeholders at design and inception stages.

## 4.10. EQ 10 Connectivity

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### **To what extent and how has EU assistance to Armenia contributed to improving infrastructure, energy and the environment?**

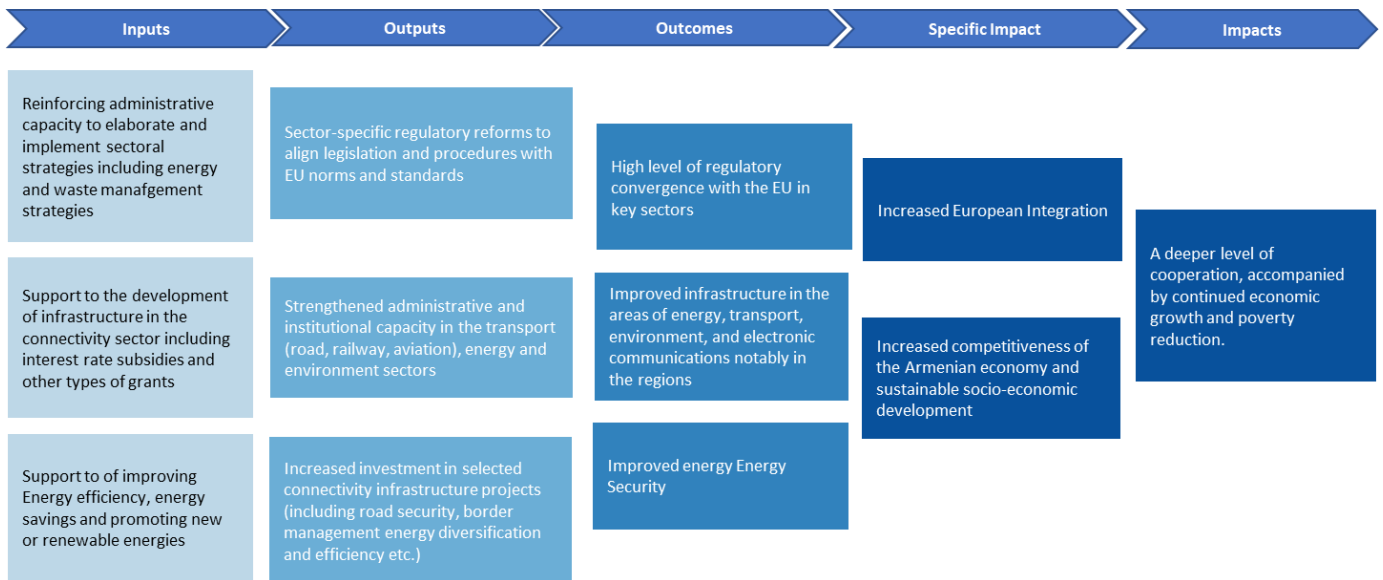
Connectivity has been a major factor influencing development of Armenia. In this regard, gaps in infrastructure and obsolescence of assets have challenged sustainable development and poverty elimination in the country. Minimizing the negative impact of unfavourable geographical location and consequent high transportation costs (being landlocked, two out of four borders are closed for trade; and the country is far from its major international markets), the highest possible liberalization of foreign commerce and elimination of obstacles (including technical) are issues of high importance for Armenia as a small and open economy. In line with this, addressing gaps in the connectivity sector plays a vital role for development of the country.

The EU, through ENPI and ENI, is a relevant player in the connectivity sector. Taking EIB contributions into account, EU Institutions contributed about 30% of funding resources in Transport, and 20% in Energy over the period 2010-2017.<sup>184</sup> With the extension of the core TEN-T network, the indicative **Transport Investment Action Plan for the Eastern Partnership region** and the new Neighbourhood Investment Platform/External Investment Plan, there are even higher expectations around the role of the EU. Other significant donors/IFIs were the World Bank (leading in environment and energy) and the Asian Development Bank (leading in water and transportation). Of EU-based lenders, KfW was the most active in providing loans in the connectivity sector. The sector was also characterized by high levels of private sector investment and investment from state-backed funds that do not count as official development assistance (ODA).

*The logic model for the sector is shown below.*

<sup>184</sup> OECD Database according to DAC codes and authors' calculations of contributions by EU Institutions to the DAC sectors Transport and Storage (210) and Energy (230, 231, 232, 233, 234, 235, 236)

Figure 28: Logic model for EU support to infrastructure, energy and the environment



**Assessment against judgement criteria**

**JC 10.1** Overall (i.e. not just EU) investments have resulted in actual improvements in infrastructure, energy and environment since 2010

**Energy**

After independence, Armenia’s energy sector was deeply affected and was in need of urgent reorganization and de-regulation. The energy sector therefore has gone through a period of intensive reforms where a combination of policy, legal, regulatory, and institutional reforms contributed to stabilization of the sector. The stress of the reforms was on enhanced energy security through diversification of energy sources including renewable energy, development of nuclear energy, enhanced energy efficiency and regional integration. The power sector achieved significant results through reforms and restructuring. Energy and infrastructure reforms contributed to Armenia’s economic growth through the 2000s, directly via investments, and indirectly through increased reliability of energy supply and elimination of large quasi-fiscal deficit.

Yet in terms of energy diversification, the share of renewables has fluctuated and not improved significantly, and the renewable energy potential of the country remains not fully utilized.

Regarding nuclear energy, although electricity production from nuclear resources reduced nevertheless, the early closure and decommissioning of the Metsamor Nuclear Power Plant (MNPP) did not happen. An important underlying cause for this was lack of replacement capacity for the MNPP, which remains a serious challenge in terms of energy security and stability. Achievements were realized in terms of energy efficiency. Energy intensity was reduced as a result of the economic shift away from industry towards the service sector as well as reduced losses in the electricity distribution network.

**Transportation**

While the roads are the primary mode of transport and there is a relatively expanded road network in Armenia, nevertheless, the investments by the GoA in road rehabilitation and routine maintenance have been inadequate. Although the road density improved slowly, nevertheless, close to 40 percent of the network is in poor condition. Moreover, approximately one-third of Armenia’s rural population does not have access to an all-weather road. In terms of road safety, little progress has been achieved in implementation and increased measures are needed to address this issue.

With EU support, Armenia managed to improve the quality and quantity of roads, as well enhancing the efficiency of border crossing procedures through reducing administrative, technical and other barriers.

The railways network along with the operations of the railway continued to shrink during the last decade. Yet, despite reduced density of the railroad network in the country, the quality of the general railroad infrastructure including the Yerevan Metro improved during the previous decade. The railroad needs expansion and upgrade to connect to international trade routes. Important projects were initiated by the GoA to expand the railway network and to open Armenia to international trade and increase trade with countries such as those in the Gulf region. Yet, realization of these projects which are highly prioritized by the GoA still require financing.

Development of the aviation sector has been rather problematic. In the last 25 years Armenia has seen 14 defunct airlines. From 2013, the country embarked on the liberalisation of the sector through adoption of Open Skies Policy. Although there have been issues regarding liberalisation such as tendering processes which has resulted in restricting competition nevertheless, the new policy contributed to lower airfares and 73% increase in passenger traffic. In November 2017, the EU-Armenia Common Aviation Area Agreement was initialled which is expected to further improve market access and provide for better connectivity, resulting in more choice, better services and lower fares for all travellers.

### **Environment and Water**

Armenia advanced its environmental policy and legislation in the framework of international environmental protection instruments and European regional processes. Armenia was also the frontrunner in developing the horizontal instruments and procedures of environmental policy. In general, despite improvement of environmental laws and regulations, still significant strengthening in terms of both regulatory aspects and implementation capacity is necessary. Although, Armenia ratified various international environmental conventions, yet it often failed in their implementation. Authorities in Armenia have been slow to adopt the necessary laws and acts, and to change practices to comply with internationally accepted practices in environmental decision-making.

With regards to water management, Armenia made significant strides in adopting legislation and establishing institutions for advancing Integrated Water Resource Management. Water exploitation nevertheless remains high. Access to drinking water improved, yet, progress has been less evident in case of improved wastewater management. Only two-thirds of the country's population (mostly urban) is connected to sewerage-collection systems. Further support is necessary to expand the and upgrading the drinking water supply system.

Sanitation services are inadequate. In rural areas over half of the population use unimproved facilities, causing direct damage to the environment and exposing inhabitants to health risks. Although sanitation services are available to more than 90 percent of the population nevertheless the poor condition of the network poses health hazards.

In terms of emissions, the levels of emissions increased during the evaluation period. In the period of 2000 to 2014 CO<sub>2</sub> emissions in Armenia experienced a 37 percent increase. Deforestation also continued as the forest-covered area of Armenia shrank during the evaluation period. With regard to waste management various projects were implemented that contributed to the quality of the solid waste collection and processing. Nevertheless, municipal solid waste collection and transportation through public private partnership still needs to be expanded, focusing on sorting and recovery of household or construction/demolition waste in Armenia. (see Annex 9, Connectivity Sector Analysis, for more details).

#### **JC. 10.2 Extent to which EU interventions aligned with the actual needs of the Armenian economy**

The GoA has prioritized development of the connectivity sector. The sector is crucial for minimizing the negative impact of Armenia's unfavourable geopolitical location through regional integration of the Armenian economy into the global economy and support implementation of a policy aimed at facilitation of external trade and reduction of transport costs.

Although connectivity was included in the 1999 Partnership and Cooperation Agreement (PCA), during the evaluation period, the focus of the EU cooperation was mainly put on sectors which are instrumental to democracy building and sustainable economic development such as justice, public finance reform and regional development. This was also reflected in the main priority areas of the Country Strategy Paper 2007-2013 and the Multiannual Indicative Programme for the period 2007-20102 that also focused on democratic development

and good governance, regulatory reform and administrative capacity building, support for poverty reduction and economic growth. Consequently, EU cooperation was less targeted on actually addressing the large infrastructural challenges in the connectivity sector which received about 20 percent of the cooperation budget, while the need for investments in this sector is very large. The relevance of the EU cooperation strategy and objectives, design and implementation of interventions in the connectivity sector is therefore moderate.

**JC. 10.3** *EU-supported interventions contributed to relevant and sustainable changes in energy, environmental and transport infrastructure*

The effectiveness of EU cooperation towards tangible improvements across connectivity sector was moderate. The primary sectorial targets set in the ENPI NIP 2007-2010 and 2011-2013 were met. Yet among EaP countries, Armenia remains the most remote trade partner for the EU in the energy sector and the energy infrastructure in Armenia is still in need of sizeable investments. The EU contribution towards improving the energy infrastructure and regional energy integration was less effective in generating the envisaged impact. Furthermore, cooperation towards early closure of the MNPP did not materialise as planned. Armenia failed to develop alternatives whether in the form of gas or renewable energy sources that could justify closure of the MNPP in terms of energy security. Armenia also remains poorly integrated with the common transport corridors of the EU. Similar to the energy sector, links with the EU in the transport sector are limited and are the lowest among the EaP countries. Regarding environment, the EU is recognized as the main champion of environmental protection initiatives, and yet actual investment over the period has been very modest.

**JC. 10.4** *Cost of sample projects is in line with industry norms and projects were delivered on time and on budget*

Direct implementation of investment grants made available by the EU led to more robust projects that also addressed technical capacity gaps. Despite this, there were cases of long delays among the sample projects which is not unexpected given the scale and complexity of the projects in this area. In some cases, project implementation suffered setbacks that delayed the achievement of project milestones. Implementation delays often occurred due to the quality of project design and monitoring, professional competencies of the beneficiaries, administrative issues and political stability. Implementation arrangements did not always take into account the capacity of the partners, and project design was not always fully supported by beneficiary organisations. Blending played an important role in terms of aid delivery and cooperation with other donors to leverage funds. All the projects in the blending portfolio followed the principle of co-financing under a lead IFI – which has brought considerable coordination advantages and reduction in transaction costs.

**JC. 10.5** *The sample projects were completed and delivered results according to planned objectives*

The sample projects partially delivered results in accordance to planned objectives. Armenia adopted a new energy strategy document and an action plan. Armenia's participation in the INOGATE programme and the observer status to the Energy Community was an effective means to get closer to EU legislation adaptation. Currently Armenia has one of the most advanced legislative frameworks in the region and streamlined energy efficiency standards in sectoral legislation. Armenia also progressed towards integrated border management through harmonisation of procedures at border crossing points. Metro rehabilitation works have been successfully completed and are operating as intended, which through conditionality, led to significant tariff and labour productivity increases.

By the end of the evaluation period, the EU co-financed Caucasus Transmission Network had still not entered implementation phase; in July 2019 the GoA officially stated its intention to start implementation of the project. The aim of closing the Metsamor Nuclear Power Plant by 2016 was not achieved; nevertheless, the EU contributed to upgrading the safety of the plant and strengthening the nuclear regulatory authority.

## **Conclusions**

In terms of EU Armenia cooperation inputs, the support of the EU for reinforcing administrative capacity to elaborate and implement sectoral strategies including energy and waste/water management strategies was highly effective. As a result, various sector-specific regulatory reforms were developed to align legislation and procedures with EU norms and standards in all areas of the connectivity sector.

EU support in the connectivity sector particularly through blending helped boost economic performance and address infrastructural challenges beyond that which Armenia's debt carrying capacity could sustain. EU support increased investment in selected connectivity infrastructure projects (including road safety, border management, energy diversification and efficiency etc.). The EU aimed to bring reforms and investments to scale by actively collaborating with the GoA and provided a large range of financial and technical assistance programmes to Armenia to cover all commonly agreed priorities.

Support to the development of infrastructure through interest rate subsidies and other types of grants were inevitably limited compared to the vast need. Sustainable development of Armenia is closely linked to improved regional integration of the country through regional infrastructural systems in both energy and transport sectors. In its current form, the project pipeline during the evaluation period fell short of Armenia's investment needs. Consequently, due to budgetary constraints, Armenia lags behind with regard to regional infrastructural projects and is faced with increased risk of further isolation in a polarizing environment. In this regard, early closure of the Metsamor Nuclear Power Plant was also not realized due to the lack of necessary replacement capacity – whether fossil or renewable that could ensure energy security. But the EU provided important support to enhance nuclear safety in Armenia.

Support to improving energy efficiency and energy savings was successful and the EU is widely accepted as one of the main partners of Armenia in the area of energy efficiency and environmental protection. EU support strengthened the administrative and institutional capacity in the transport (road, railway, aviation), energy and environment sectors.

#### 4.11. EQ 11 – People to People

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**EQ 11 To what extent, and how, has EU assistance to Armenia contributed to achieving objectives in the areas of orderly migration and education?**

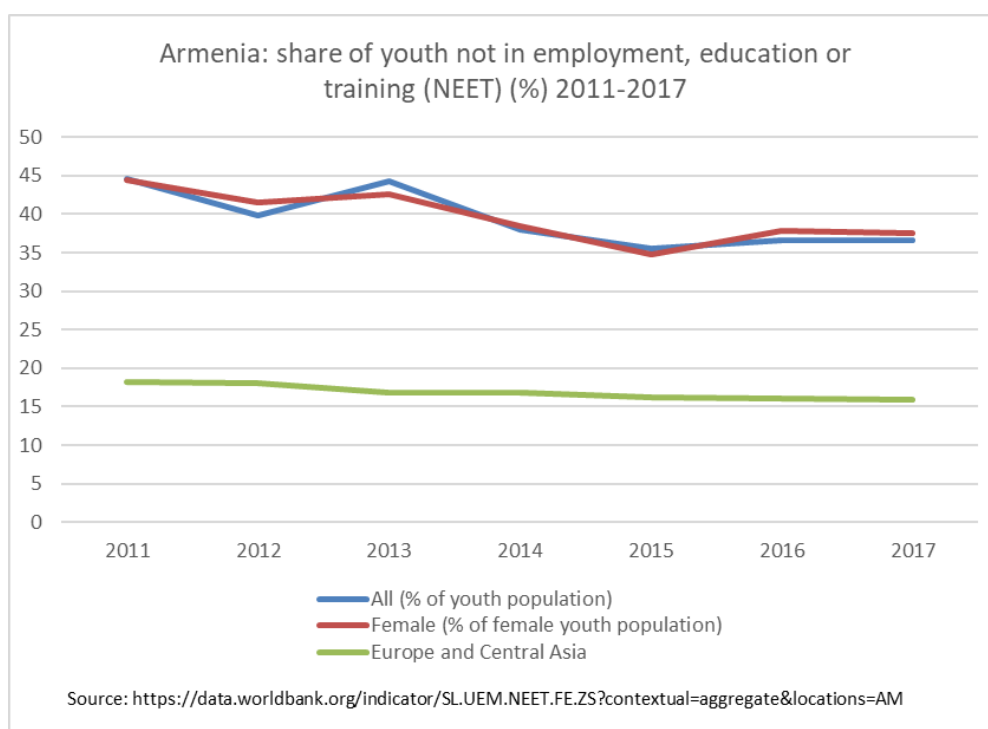
##### *Context*

Armenia faced (and continues to face) extremely high rates of youth unemployment, and a big mismatch between the education system and the needs of the labour market. Few young people wanted to go into vocational education, and yet the unemployment rates for graduates was soaring. At the start of the evaluation period, there was a pronounced gender disbalance in employment<sup>185</sup>. Education expenditure was flat in USD terms, and well under OECD average levels in terms of percentage of GDP<sup>186</sup>. Nevertheless, education and tackling unemployment were declared high priorities of the Government.

<sup>185</sup> In 2010 women's participation in the labour market was 55% compared to 65% for both sexes; <https://data.worldbank.org/indicator/SL.TLF.ACTI.ZS?end=2018&locations=AM-EU&start=2009&view=chart> extracted 22/8/2019

<sup>186</sup> Armenia Development Strategy for 2014-2025 p109

Figure 29: Share of youth not employed, in education or in training



The EU was the largest contributor to education (21%), followed closely by France (19%), the World Bank (18%) and Germany (17%)<sup>187</sup>, and the total value of donor contributions was EUR 218 million between 2010 and 2017. There was a strong sectoral focus, with the EU contributing almost exclusively to secondary vocational education, while other major donors focused on higher education and general education.

Donor support for employment creation was very modest. In terms of disbursements, the World Bank is the largest contributor, though with credit rather than grant funds. The low level of EU support is partially due to the flagship budget support programme 'Better Qualifications for Better Jobs' having a low rate of disbursement during the evaluation period.

Migration was also of huge concern in Armenia. An estimated 2.5% of the population migrated annually, mainly driven by unemployment at home and the prospect of working abroad. In 2015, around 30% of the population lived outside the country<sup>188</sup>, the majority in Russia. Remittances were large (18% of GDP in 2010, falling to 12% in 2018) but fell in value since the devaluation of the Russian Rouble in 2013/14<sup>189</sup>. The effect of remittances was both positive and negative – they lifted families out of poverty but at the same time acted as a disincentive to the recipient families to find work.

Armenia is not traditionally a country of immigration or asylum, though has hosted (and given citizenship) to 22,000 ethnic Armenians fleeing from the Syrian civil war.

The key driving process for reform of migration management in Armenia was the goal of visa liberalisation for citizens' travel to the EU. The EU was by far the largest donor in terms of financial support for migration and migration management. The EU's concern for migration was the strengthening of migration management and regular migration, including support for readmission of Armenian migrants from the EU who have no legal status inside the Union. These overlapping concerns found their expression in an EU-Armenia Mobility Partnership (2011) followed by agreements on visa facilitation and readmission (signed respectively in 2012 and 2013).

<sup>187</sup> OECD DAC data for 110, 111, 112, 113 and 114 from 2010-2017 inclusive, disbursements

<sup>188</sup> OECD Development Pathways, Interrelations between Public Policies, Migration and Development in Armenia, OECD and Caucasus Research Resource Center – Armenia, May 2017 <https://www.oecd-ilibrary.org/sites/9789264273603-6-en/index.html?itemId=/content/component/9789264273603-6-en>

<sup>189</sup> <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?locations=AM> extracted 23/8/2019



The EU supported three major budget support programmes in the area of vocational education and training.

Table 17: Vocational education budget support

Vocational Education Budget Support Programmes 2010 - 2018					
Contract year	CRIS contract	DAC code	Name	Planned amount (EUR)	Paid (EUR)
2010	258731	11330	Continuation of Vocational Education and Training (VET) reform and Development of an Employment strategy	13,600,000	13,600,000
2014	337992	11330	Continuation of VET Reform and Development of an Employment Strategy Armenia, EaPIC 2012	3,750,000	3,750,000
2016	383251	16020	Better Qualifications for Better Jobs	13,000,000	-

And eight significant projects supporting migration and migration management.

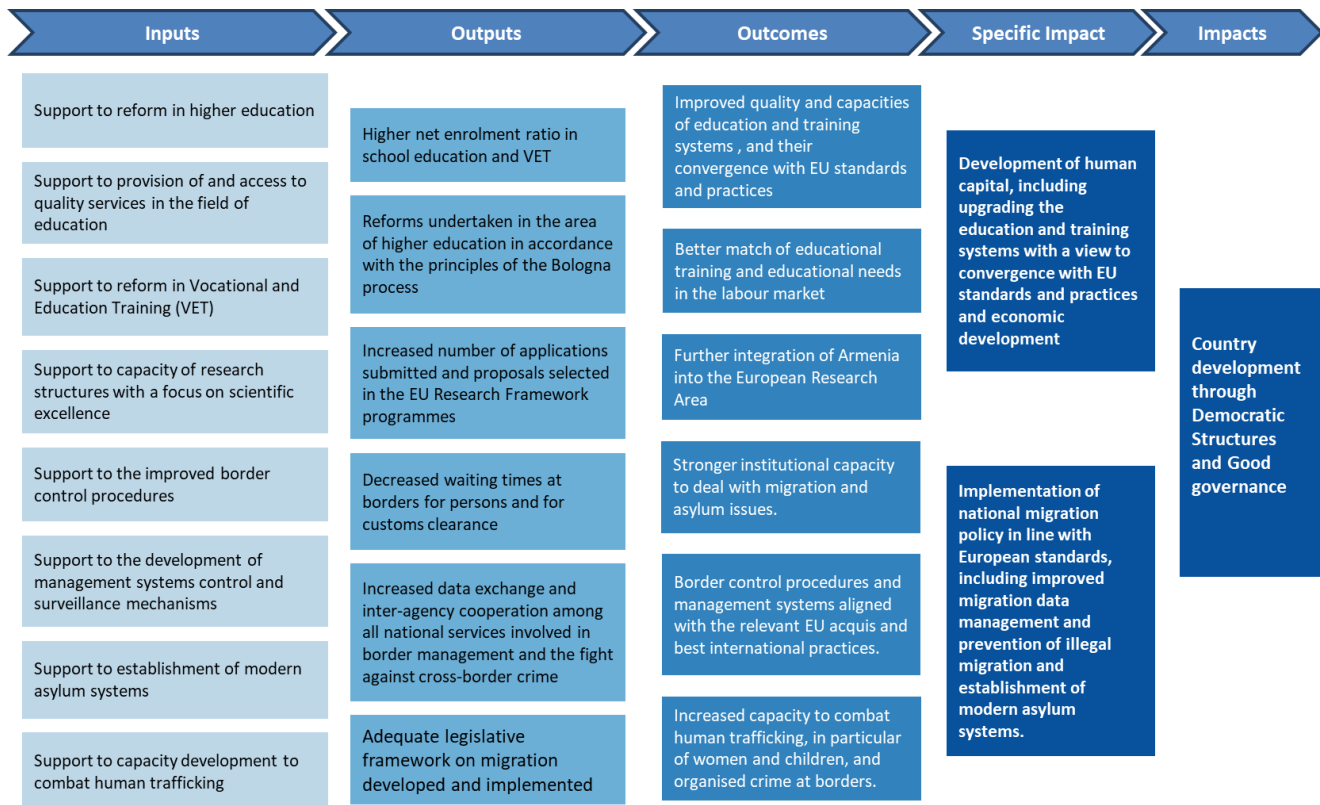
Table 18: Projects in migration and migration management

Contract Year	CRIS	Project Title	Implementing Agency	EUR Plan	EUR Paid
2010	229596	Strengthening Evidence-Based Management of Labour Migration in Armenia	International Centre for Human Development Public Organization	1,485,504	1,485,504
2010	248902	Support to the State Migration Service for the elaboration of a Twinning Project Fiche for strengthening of Migration Management in Armenia	SOFRECO-SOCIETE FRANCAISE DE REALISATION D'ETUDES ET DE CONSEIL SA	71,810	71,810
2012	297246	Support the State Migration Service for Strengthening of Migration Management in Armenia	MIGRATIONSVERKET (Sweden)	911,111	976,285
2012	282525	Support of circular migration and re-integration process in Armenia	CLOVEK V TISNI OPS	784,036	683,866
2012	309112	Strengthening Armenia's migration management capacities, with special focus on reintegration activities, in the framework of the EU-Armenia Mobility Partnership	REPUBLIQUE FRANCAISE	3,000,000	5,432,918
2012	310122	Mitigating social consequences of labour migration and maximizing migrants' involvement in local development	UNITED NATIONS CHILDREN'S FUND	882,160	1,676,164
2013	283401	Maximising the social and economic impact of Migration for a better future in Armenia	COMITATO INTERNAZIONALE PER LO SVILUPPO DEI POPOLI ASSOCIAZIONE	722,387	384,281
2015	352074	Support to migration and border management in Armenia	THE INTERNATIONAL CENTRE FOR MIGRATION POLICY DEVELOPMENT	3,997,246	1,156,433



## Response to judgement criteria

Figure 30: Logic model for people to people



### JC 11.1 Extent to which EU interventions (planned and achieved) align with the actual needs of the situation in Armenia

There was a close fit between EU interventions and the needs in Armenia. The EU and GIZ were the only interested international actors to support the vocational education and training sector and provided long term, strategic and logically sequential support. The involvement of the European Training Foundation (ETF)<sup>190</sup> gave the EU credibility and technical competence. The examples of instruments such as the national qualifications frameworks (NQFs) and their use in recognition of qualifications across borders, were strong factors in giving the EU an influence well above the value of the money it provides.

At the same time, Armenia was confronted with intractable (and related) problems of unemployment and migration for which effective solutions are hard to find. Closing the gap between education and labour market needs was a key area for which the EU has a demonstrated advantage.

The EU's involvement in migration was not so clearly in line with the needs of the situation in Armenia. Rather, the needs of the EU and Armenia were complementary and slightly overlapping; Armenia wanted easier access to the EU for its citizens and a resolution to the emigration crisis, while the EU wanted improved controls over migration and an enhanced ability to return people under readmission agreements.

At the time of the signing of the Mobility Partnership (2011)<sup>191</sup>, many EU Member State partners made proposals for assistance to Armenia. Many of these materialised, but because they were initiated outside the country created coordination and coherence issues, stretched the country's absorption capacities, as well as led to some duplication of effort.

<sup>190</sup> <https://www.etf.europa.eu/en>

<sup>191</sup> Joint Declaration on a Mobility Partnership between the European Union and Armenia, Brussels, 6 October 2011 [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/international-affairs/global-approach-to-migration/specific-tools/docs/mobility\\_partnership\\_armenia\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/international-affairs/global-approach-to-migration/specific-tools/docs/mobility_partnership_armenia_en.pdf)

### **JC 11.2** *Extent to which sample EU projects achieved their planned goals*

EU support to Vocational Education and Training aimed to both increase the attractiveness of vocational education and to increase the effectiveness of such an education in finding employment after school. The number of students entering vocational schools remained steady over the period<sup>192</sup>; however, the *proportion* of secondary students enrolling in vocational schools has increased<sup>193</sup> suggesting that vocational schools are becoming more attractive. The number of graduates remains steady<sup>194</sup>.

The rate of young people not in employment, education or training (NEET) fell by eight points from its 2011 figure of 44.6% to 36.6% in 2017. This is an achievement, though the level is still very considerably above the average for the region (at less than 20%), so there is a long way to go<sup>195</sup>.

In the area of **migration**, the main contributions of EU assistance have been to the legal and policy framework. The EU and Armenia signed a Visa Facilitation Agreement in 2012 and a Readmission Agreement in 2013<sup>196</sup>. Domestic legislation is now in line with international obligations. Capacity development support for the State Migration Service increased capacities, for example, by providing Standard Operating Procedures (SOPs) and supporting the establishment of an analytical unit<sup>197</sup>. One interlocutor suggested that the domestic legislation was very much in line with international standards and requirements, and “perhaps even too much”.

Work is in process to build a 100-bed centre for asylum seekers. Procedures for processing asylum claims are improved as a result of EU assistance<sup>198</sup>. Support for returnees through readmission agreements is slow and limited.

Border crossing times at the Bagratashen, Bavra and Gogavan border crossing points with Georgia have been drastically cut as a result of EU assistance. People waiting at the Bagratashen crossing wait on average 5 minutes (2018 data) in place of the 40-minute wait in 2012, for example, while commercial trucks have had their waiting time cut from 75 minutes to 20 minutes over the same period<sup>199</sup>.

In **employment** achievement of planned goals was hampered by severe government budget cuts for active employment measures in 2017/18.

The sample projects demonstrate that they have mostly met their planned goals. In some cases, while intended policies and legislation are in place, the main issue is that (state) budgets are limited for effective implementation. This applies in education, employment as well as in migration – for example, for support for returnees through the readmission agreement.

### **JC 11.3** *Extent to which sample projects achieved sustainable institutional change/improvement*

There is not a strong evidence base in the form of evaluations and ROM reports which can support an assessment of sustainability. Indications from interviews suggest that the policy and institutional reforms are likely to remain in place. The capacity built in the Government for managing migration is in place and will continue to grow; the migration workload is increasing in line with the numbers of returnees under readmission agreements. Quality and quantity of services will depend on Government budget funds available – which in turn depends on whether services are perceived as priorities by Government policy makers.

<sup>192</sup> The youth population is declining, so while the absolute numbers remain steady, the proportion in vocational schools can see an increase

<sup>193</sup> ETF, Torino Process 2016-17 Armenia Executive Summary p4, increase from 15.1% in 2010 to 25.7% in 2014. In 2014 the share was 29.2% for males and 22.2% for females

<sup>194</sup> since graduations lag enrolments by 4 years or so, we will likely see an increase in the number of graduates in the 2018/2019 data, which is not yet available

<sup>195</sup> An alternative explanation for this very high figure is that the statistics are calculated on the basis of census data, which, because of the high rates of emigration, do not reflect the actual number of young people and so overstates the proportion of NEETs. This evaluation was not able to verify the data. Nevertheless, regardless of the basis of calculation, the data do show a downward trend.

<sup>196</sup> [https://ec.europa.eu/home-affairs/what-we-do/policies/international-affairs/eastern-partnership/mobility-partnerships-visa-facilitation-and-readmission-agreements\\_en](https://ec.europa.eu/home-affairs/what-we-do/policies/international-affairs/eastern-partnership/mobility-partnerships-visa-facilitation-and-readmission-agreements_en)

<sup>197</sup> ROM report on contract C-352074 Support to migration and border management in Armenia, 19/07/2017 p5

<sup>198</sup> Interviews with migration officials, May 2019

<sup>199</sup> UNDP project final report

#### **JC 11.4 Selected sample interventions delivered institutional change in a timely and cost-effective manner**

A key concern regarding efficiency was the issue faced by the Ministry of Education and Science in the VET budget support programmes. It was reported that EU funds for the programme, transferred to the Ministry of Finance, were not being made fully available to the Ministry of Education in order to implement agreed activities. This was corroborated by interlocutors from a number of sources and had the effect that the programme implementation was slow and sub-standard. The reconstruction of schools and provision of school equipment were the elements of the programme that were particularly vulnerable to this issue.

In other projects, ROM reports conclude that projects were implemented on time. Value for money is likely to be an issue in budget support and financing agreements where there was no competition for the overall contract.

#### **Conclusions**

In reviewing the sector achievements against the logic model (see Annex 3), the evidence obtained by this evaluation and presented here suggests a very positive level of achievement against the planned outputs and outcomes, and a likely contribution towards the 'specific impacts'.

In reviewing the EU actions for this sector, there were a number of areas in which lessons can usefully be learned for future programming and management.

In both education and employment, and migration areas the EU has had slightly different priorities to that of the government. In the former, the EU focused on vocational education and training from early on, while the government focused more on general secondary education and reform of tertiary education. In migration, alongside ensuring regular migration and readmission the Government's aimed at easier travel arrangements and reducing the level of emigration, while the EU's interests were directed more towards ensuring regular migration and readmission. Despite these divergences, there was sufficient common ground to ensure that both sets of interests were served. Visa facilitation reduced the cost in time and money for Armenian citizens to travel<sup>200</sup>. From the EU perspective, the number of readmissions to Armenia has grown 100 times, from 17 in 2012 to 1,704 in 2018<sup>201</sup>. Over time, the Government also grew in its appreciation of the importance of vocational education to young people and the economy.

The initial flurry of projects following the signing of the Mobility Partnership created **problems of both coordination and absorption capacity** for the Government agencies tasked with managing migration.

The projects that were identified at the time of the signing of the mobility partnership were widely seen as being imposed on Armenian institutions. **Projects designed in-country** by people familiar with context, institutions and challenges were regarded as having achieved more sustainable institutional reform than those initiated outside the country and/or by people not familiar with the situation<sup>202</sup>. Sustainability is rooted in organisations; when institutions initiate or have been involved from the beginning in conception and design, consequent changes are 'theirs' and sustainability is more assured.

There is very **limited information relating to actual outcomes** and evidence to show contributions from EU funded assistance. Reviews and evaluations focus on inputs and outputs, while paying less attention to assessing the soundness of project logic, and very little attention to monitoring impact on target populations.

**Sector budget support programmes are an effective means to positively influence policy through dialogue.** However, there is a risk that dialogue is unbalanced by a number of factors: an unequal level of technical knowledge on each side (e.g. in the case of VET and national qualifications frameworks), a lack of detailed knowledge of the context by external partners, and the influence of the incentives created by financial

<sup>200</sup> Schengen visa applications by Armenian citizens increased by 52% over five years from 39,000 in 2012 to 61,000 in 2016 European Neighbourhood Council, Monitoring Report: Agreement between the European Union and the Republic of Armenia on the Facilitation of the Issuance of Visas (4th monitoring), July 2018 <http://www.encouncil.org/wp-content/uploads/2018/07/Analysis-of-the-Facilitation-of-the-Issuance-of-Visas-as-part-of-EU-Armenia-Relations.pdf>

<sup>201</sup> State Migration Service, [http://www.smsmta.am/?menu\\_id=3](http://www.smsmta.am/?menu_id=3)

<sup>202</sup> See Annex 9 (Volume II) Section 8: EQ11 People to People, p332

assistance. These can combine to generate an apparent agreement of ideas, but which, under scrutiny, are not appropriate for the context or that require a more careful and localised approach. More time and shared experiences are needed to ensure that both sides fully understand each other.

Monitoring of sector budget support programmes is limited to compliance monitoring structured against clearly defined inputs and outputs. The project logic is rarely reviewed, and there was little monitoring of impact. The investments are large (more than EUR 30 million in VET reform), so it is vital not just to look at institutional change, but the effects on students, young people, the labour market and the economy. Early attempts to study cohorts of students (ETF in 2011 and UNDP in 2012) were not continued.

## 4.12. Additional issues

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In this section the evaluation team describes a few major issues that have emerged during the course of the research for this evaluation, but which do not fall neatly under any of the major evaluation questions. We consider these issues essential for understanding the achievements and challenges of the EU in Armenia since 2010, and helpful in providing some context for the conclusions and recommendations which follow.

### 4.12.1. Delegation management and staffing

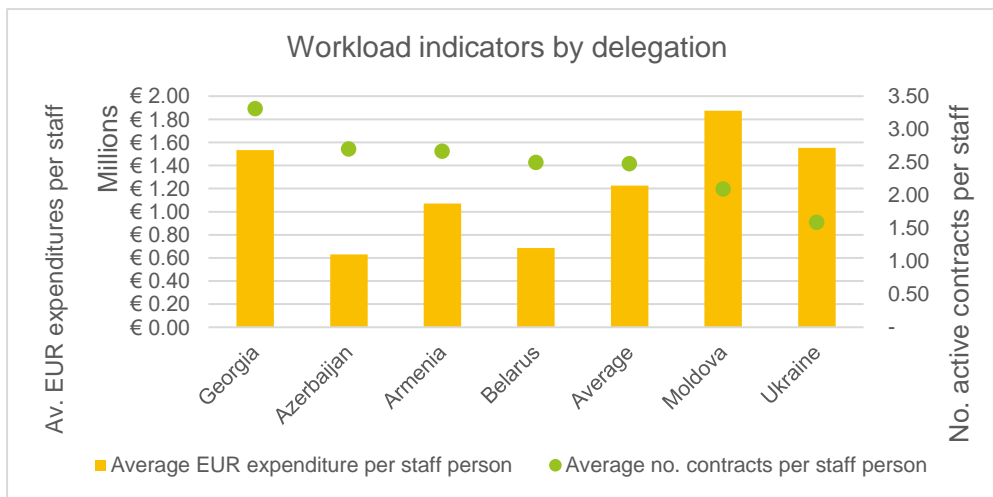
Across all interviews with the Delegation staff, staff in other embassies and project teams working closely with the EUD ran the theme that the EU Delegation had a particularly small team managing a rather large budget. At the time of the evaluation field mission, the cooperation team comprised 12 professional staff and three support staff. At the end of 2018, this team had a current portfolio of 156 ongoing contracts worth EUR 333 million<sup>203</sup> to manage and monitor. It is currently managing the planning and contracting for the implementation of the SSF 2017-2020, indicatively valued at EUR 144 million to EUR 176 million, and during 2019 has to start the preparations for planning and programming for the forthcoming budget period 2021 – 2027 under the new NDICI<sup>204</sup> instrument. In comparison with other delegations in the EaP region, Armenia is not exceptional (see Figure 31)<sup>205</sup>.

<sup>203</sup> The planned value of 'ongoing' contracts in CRIS at the end of 2018

<sup>204</sup> Neighbourhood, Development and International Cooperation Instrument (NDICI) – see [http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/628251/EPRS\\_BRI\(2018\)628251\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/628251/EPRS_BRI(2018)628251_EN.pdf)

<sup>205</sup> Chart data is calculated from MIS data and DG NEAR correspondence on staff levels. Staff levels are as of 2019; expenditure is total current year expenditure averaged over years 2011-2017; no. contracts is annual number of contracts for which there is actual expenditure (as a proxy for *active* contracts), averaged over the period 2011-2017. Staff numbers are total for delegation, not specifically for the cooperation section.

Figure 31: Workload indicators by delegation



Despite this, the delegation’s operations are constrained in four key ways. First, time constraints mean that the Delegation team cannot engage and follow events in the country to a sufficient level of detail and analysis. They are not able to travel often outside Yerevan and cannot spend time with interlocutors to learn and understand issues across the range of sectors and issues that they cover. This ‘political economy’ context is essential in order to be able to understand what is likely to work and what will not work in any given political environment.

Second, the amount of time available for programming and design is limited. In the case of the EUD in Yerevan, programming was supported by external project teams – most recently with the project ‘Development and Strategic Studies’, which is assisting the Delegation in programming and donor coordination.

Third, the Delegation team is not able to monitor programmes – and in particular the larger budget support programmes – at a level of depth and frequency that would provide accurate real time information on how these programmes are progressing, and therefore to be able to respond with corrective measures on time.

Finally, the team is under pressure to disburse according to its annual key performance indicators, and therefore the range of instruments it can use sees some limitations. The least labour-intensive way of meeting the targets is through large budget support programmes, though with limited monitoring capacity, this represents a risk in terms of efficiency and impact.

#### 4.12.2. Monitoring, evaluation and learning

A critical function for the Delegation is to Monitor, Evaluate and Learn (MEL) in order to ensure that its current and future programme portfolios are increasingly effective, and achieve impact and sustainability.

There are several key issues which constrain the Delegation from undertaking these key functions.

First, as noted above, human resource constraints profoundly limit the amount of time that can be spent on MEL activities – especially when the priority is to spend and manage spending. The EU has contracted evaluations of some projects and programmes. Some have been described as ‘super useful’, such as the recent evaluation of ENPARD. Others are less so. Quality is an issue. Evaluations of budget support programmes are usually only assessments of compliance against set conditions, rather than reflections on the logic of the programme design and the likelihood of impact being achieved. Sectoral evaluations have proven most useful. It is not clear that there is a systematic approach to responding to evaluation recommendations and following up on implementation of agreed actions.

ROM reports are useful for project managers. Sixteen ROM missions were carried out between 2015 and 2017 on contracts valued at a total of EUR 34.2 million<sup>206</sup>. This works out at around 5 ROM missions per year covering

<sup>206</sup> Data from the ROM contractor, Particip, Brussels, January 2019

EUR 11 million, out of the current contract portfolio, as noted above, of over EUR 300 million. ROMs, therefore, cover a very small proportion of the overall portfolio.

The Results Reporting exercise also carried out by the ROM contractor proved not to be very useful. The data collected was highly specific to individual contracts, fragmented and not clearly linked to overall strategic objectives of the Delegation and EU country strategies.

At the same time, it is worth noting that despite there being indicators in each of the main programming documents (NIPs and SSFs), there was no regular data collection against these indicators and so no assessment of progress at the strategic level<sup>207</sup>.

Finally, document management within the Delegation (and DG NEAR in Brussels) is somewhat haphazard. Sourcing documents, particularly evaluation reports and project final reports, has proven time-consuming and difficult. This is clearly a constraint on learning for the Delegation. When portfolios change between staff – as they do frequently – it is clear that documentation is not comprehensively transferred and learning from previous experience is lost. That evaluation reports are not easily available constrains learning through systematic reviews and other forms of learning from existing evaluations. It also hampers accountability in the case that uncomfortable messages emerge from evaluations.

## 5. Conclusions and recommendations

### 5.1. Conclusions

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This evaluation has covered a wide range of materials, experiences, data and conversations with people who were intimately involved in the work of the EU in Armenia since 2010. While it would be impossible to encapsulate and represent all that has been achieved and all that has been learned over the past decade, this section aims to consolidate the learning that is most useful for informing the planning and management of EU cooperation in Armenia (and perhaps elsewhere) over the coming decade.

#### *Global strategy*

The biggest achievements of EU cooperation have occurred when it has taken an ambitious, long term and logically sequenced approach to supporting change that is actively desired by the Government. The series of budget support programmes for vocational education and training (VET) are an example of this. Over more than 10 years, the EU has supported Armenia by preparing the ground, injecting new ideas and examples of good practice, investing in infrastructure and equipment, supporting development of new curricula. Now, vocational schools are increasingly attractive compared to secondary general education and may be making a contribution to reducing youth unemployment. By contrast, the successes achieved by the first ENPARD budget support programme are vulnerable in case there is no follow up and longer-term budget support engagement in the rural development sector.

The approach exemplified by the VET programmes is underpinned by long term strategic thinking and planning, such as that contained in the Country Strategy Paper 2007-2013, and a flexible approach to contracting and implementation. By contrast, the systems in place from 2013 onwards have supported shorter term thinking (the 4-years of the SSF 2014-2017 was not supported by a longer term country strategy) and a less flexible approach to implementation - it takes on average four years to complete the contracting for an Annual Action Programme. Under the current systems, it is therefore very difficult to react rapidly to a change in political

<sup>207</sup> Indicators in the SSF 2014-2017 are frequently project-level rather than strategic and for many it would be difficult or impossible to collect data.



circumstances (such as those that took place in 2013 and again in 2018) in terms of actions and spending on the ground.

In cases where there is no strong desire for reform in the Government and yet there is a commitment in the bilateral and multilateral treaties, the EU's instruments combining budget support, policy dialogue and technical assistance have been able to influence and achieve change on paper in the form of strategies, legislation and other regulations, and sometimes creation of institutions. Implementation, though, particularly where budget commitments are needed, has proved less successful. Examples here include reform of the judiciary and anti-corruption efforts. Even priority areas such as employment have seen government budget cuts hamper the effectiveness and sustainability of reforms.

There are two areas in which there were strong commitments from the EU in its 2007 country strategy, but which received relatively small resources and few results. These are in the fight against corruption and the support to building peace. Both areas are politically difficult, and hard to operationalise. The change of government in 2018 provides the EU with an opportunity to restart engagement in both these areas and to provide renewed commitment.

The people of Armenia are increasingly positive and better informed in their view of the European Union. This may be because of the greater visibility of projects, and improved public information activities. As seen in the 2013 so-called 'gender wars', there are enormous risks that disinformation can undermine EU supported initiatives.

Over the period covered by the evaluation, the EU has established itself as a leader in a number of policy areas, notably environmental protection, energy efficiency and renewable energy. Efforts in both strengthening regulation as well as investments on the ground are beginning to yield positive results. In this sense, the EU is a donor that does not only respond to nationally defined priorities but is effective in supporting countries to fulfil their international obligations, too (such as the Paris Agreement on climate change).

A more proactive approach by the Delegation since 2015 is strengthening donor coordination and, in particular, coordination with Member States. Increasing EU funds, both in absolute terms and in terms of the proportion of total official development assistance is making the EU a much more significant player in determining the direction of development assistance. By contrast, there had been few effective efforts at the level of the Government of Armenia and by the Government to ensure alignment of international support during the evaluation period. This both hindered effective strategic planning for donors and at the same time weakened the degree of government commitment to implementation of donors' contributions to reforms, undermining sustainability.

### *Strategy implementation*

On the whole, programming has followed closely from strategic priorities. Delivery of results is broadly in line with the planning in terms of outputs. With the exception of some large infrastructure projects, individual contracts are mostly delivered on time. However, the process of contracting the actions for implementation of the strategies takes longer than the period covered by the strategies themselves (in the case of SSFs). When the strategies do not change significantly between periods, this does not create challenges. However, when there is a need for a more substantial change of strategy – such as when the government changes or there are shifts in the geopolitical landscape – EU actions which follow from a strategy change can respond only slowly.

Policy dialogue has been well aligned with programming priorities and through this combination of dialogue and programming, the EU has been able to have a significant and positive impact on many areas of Armenian policy. This is evident in justice reform, rural and regional development, public financial management and environment, for example.

A key challenge for the Delegation is the extent to which useful information is available to be able to monitor progress against strategic goals – particularly in terms of achieved impact. Monitoring, evaluation and learning is fragmented not well systematised. Annual evaluation plans could be better aligned with the overall strategic requirements for evaluation and learning, and few human resources are dedicated to the task. Learning is



hampered by poor document management and lack of time dedicated to sharing findings, recommendations and ideas.

That the fifteen people in the Delegation's programme section were able to manage a portfolio of 402 ongoing contracts worth EUR 333 million<sup>208</sup>, including six ongoing budget support programmes (for EUR 118.5 million), is a testament to the staff's ability to work hard and effectively. However, it is not an adequate number when additional work – such as programming and developing the future portfolios – is taken into account. Time constraints limit staff ability to engage in non-required activities such as sharing learning and personal development.

Outside observers – even those who had worked in EU Delegations – commented that EU planning and programming is opaque and difficult to understand. This is a constraint on the degree to which stakeholders can be meaningfully involved in the planning processes. While there is limited scope for change in programming processes at delegation level, it is a factor that DG NEAR should bear in mind. Poor involvement of stakeholders, particularly prior to 2015, was a contributing factor in the extent to which programmes were overlapping or conflicting (e.g. in migration), or not appropriate for implementation capacities (e.g. VET budget support, justice reform budget support). The Delegation has made considerable progress since 2015 in strengthening the information available and involving other donors, international organisations and IFIs in the coordination of development assistance.

Gender issues are not adequately dealt with in needs assessment, programme design, implementation and monitoring. There is insufficient – although improving – commitment and leadership on the issue.

### *Effectiveness*

Significant change has been achieved where the EU and its partners have taken a holistic view of the change to be accomplished. This encompasses the whole range of interventions throughout the policy cycle. Individual interventions, such as twinning, which address only one small aspect of the policy cycle (typically staff capacities within an organisation) usually fail sustainably to improve organisational performance. This underpins the need for sector-wide thinking and acting.

Effective interventions have also demonstrated a good response to political realities. The justice reform programme, for example, focused on penitentiary reform because this was politically acceptable for the government, whereas real reform of the judiciary would mean the government could lose an instrument of control. Solid understanding of the political economy – the political realities linked to programme design and implementation – was essential for effective programmes.

Blending was an important modality used for infrastructure development projects. Availability of this type of financing was scarce for Armenia in existing market circumstances and helped boost economic performance and address infrastructural challenges beyond that which Armenia's debt-carrying capacity could sustain.

The modality contributed to increased competition among IFIs in terms of financing of large investment programmes. Moreover, whilst this can be healthy there is also evidence that it led to issues such as using EU grants and loan concessions to gain business volume by the IFIs – although this was more a problem in earlier periods. Realisation of direct project outputs with investment grants also contributed to long-term impact issues in terms of possibility for replication and scalability.

In the connectivity sector, blending played an important role in terms of aid delivery and cooperation with other donors to leverage funds. All the projects in the blending portfolio followed the principle of co-financing under a lead IFI – which has brought considerable coordination advantages and reduction in transaction costs. Co-financing under a lead IFI replaced the more cumbersome parallel financing where each financing institution administers their own part of the project.

<sup>208</sup> The planned value of 'ongoing' contracts in CRIS at the end of 2018

## 5.2. Recommendations

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### R1. Staffing and programming capacities

The scope and scale of future programming needs to be proportional to the human resources available to adequately design, manage and support implementation. While many activities can be outsourced – such as donor coordination – the core team in the delegation needs to have proper information and time to absorb and analyse the information – in order to inform judgements about choice of programming, design, implementation and learning. This potentially means that either the delegation should increase its staff capacity or the scope and scale of programming should narrow. This report proposes that the EU should consider undertaking a functional and workload analysis of delegations in the Neighbourhood to assess the extent to which staff numbers and capacities are adequate.

### R2. Monitoring, evaluation and learning

Monitoring, evaluation and learning require improvement. DG NEAR is investing in this area, and the effects should be apparent in the coming years. This report proposes that the EU Delegation considers preparing an **action plan** to improve monitoring, evaluation and learning. There are a number of practical measures that the EU could consider which would improve overall performance in this area. These include:

- Ensuring there are adequate **staff resources** dedicated to the functions required for monitoring, evaluation and learning
- Review the multi-year **monitoring framework to ensure more relevant** indicators to monitor outcomes and impact of EU cooperation, and linked to the goals of the Single Support Frameworks (SSFs)
- Develop a multi-year **evaluation plan**, identifying the key evaluations needed to inform future programming. Evaluations could take a wider view of EU cooperation – for example assessing EU cooperation performance across a sector, and not of individual project or programmes. They should also be commissioned so that they would be in time to inform future programming and decision-making; a mid-term evaluation can be more helpful than a final evaluation if findings can feed into the next phase.
- Developing and testing mechanisms to support **staff learning** – ensuring that staff are involved in learning from experience even outside their core areas of responsibility. These can involve workshops and discussions and retreats to evaluation findings and plan how to incorporate lessons learned; engaging with Member States development staff and agencies in country to share experience and learning; sharing learning with implementing partners and government personnel.
- Find ways to improve **document management** so that key documents are properly stored, easily found and key messages are easily absorbed and transmitted to the right people.
- Include a learning plan, in which all staff are involved in developing elements of the MEL plan, theories of change and relevant indicators, and crucially in the analysis and 'sense-making' of monitoring data and evaluations – to translate them into actions to improve EU effectiveness.

### R3. Government donor coordination capacities

The Government's capacities and engagement in donor coordination at the whole-of-government level has not been effective. As the largest single donor, the EU should consider identifying opportunities to support the Government develop stronger capacities in planning and supporting donor contributions to the national development process. However, this is dependent on the Government expressing interest in EU support for this. The EU should stand ready to assist the Government to support strengthening of government-led donor coordination, linked to its policymaking, if requested. The EUD should also continue its work to support improved donor coordination.

### R4. Budget support programmes

Budget support programmes need better preparation and design. The EU should identify ways in which the design process for budget support programmes (and other large interventions) can better reflect the institutional realities and constraints faced by Government. It is noted that the quality of budget support programmes is

dependent on the quality of the Government reform programmes. Where there are potential areas for budget support programmes, the EU delegation could explore how it can provide greater support to improve the maturity of Government reform strategies. This may be addressed by, for example, giving opportunities for exploring reform options and ideas through study visits to other countries, wider consultation with stakeholders, such as academic experts, civil society, and public consultation, as well as with stakeholders across government.

## **R5. Monitoring, evaluation and learning for budget support programmes**

The EU should consider how to improve the evaluation and learning that emerges from large scale budget support programmes and their supporting complementary measures in order to improve performance. This could be done by engaging MEL contractors in parallel with programme design and implementation. Such a component can provide technical support to the design and development of monitoring systems, engage in periodic learning exercises and analysis of monitoring data; undertake mid-term output-to-impact reviews, and other activities which would feed back into programme implementation to improve likely effectiveness and impact. Such activities should not replace the independent compliance reviews but should complement them:

- Take a real-time approach to MEL and engage a specialist MEL contractor from the start of the action, in parallel with – but independent from – the budget support and TA components
- The MEL contractor would ensure that there is a realistic MEL plan in place, and there are resources available. This would include, for example, that programme/sectoral indicators are realistic and measurable, that they relate to outcomes and impact as well as inputs and activities; and that the monitoring data is regularly collected, analysed and reported back
- There are planned stages for review and learning, and that data collection, feedback, learning and adjustment take place during the implementation of the programme
- The MEL component should focus on learning and adjustment for effectiveness, not compliance; a separate process/contractor would be required for evaluating compliance with conditionality

## **R6. Gender**

Gender issues have not been adequately dealt with yet are pervasive and persistent problems in Armenia. The Delegation needs to find ways to increase the high-level commitment to tackling gender issues, and to ensure that they are tackled throughout policy dialogue and programme design/implementation. This might be done through:

- Strengthening the consistency and clarity with which senior management communicates the need to ensure that gender issues are of concern throughout all areas of the Delegation's work
- Ensuring that resources and time are available for gender experts to be involved at every stage in the development of major programmes
- Ensuring that all actions taken to support MEL also incorporate gender considerations – going beyond (but including) gender disaggregated data
- Revising the job descriptions of the staff of the Cooperation sections and programme managers to include a provision on the usage of existing resources for supporting measures on gender equality
- Putting more focus on results-based management and gender mainstreaming during preparation of the next "Development and Strategic Studies" contract

## **R7. Blending**

Continue, and where possible, increase, the use of blended finance modalities to enhance the impact of EU development assistance, particularly in the connectivity sector. Blending through co-financing under a lead IFI can further improve aid effectiveness through greater donor, beneficiary and lender coordination. Yet at the same time, more efforts are needed to reduce transaction costs through, for example simplifying administrative procedures, such as for procurement and approvals.

## **R8. Environment and Energy**

The EU should build upon its reputation and existing support for environment and energy. In particular, it should consider:

- Supporting the renewable energy sector with support for building a pipeline of projects that could have future commercial viability; attracting international donor support to provide grants and soft lending for feasibility studies and pilot projects for solar, wind and geothermal power and other renewable energy sources
- Enhance energy security by continuing to prioritize implementation of regional integration projects such as the Caucasus Transmission Network in support of cross border trade, as well as further legislative harmonization to support greater integration of Armenia in the European energy market
- Support further institutional capacity building and strengthening in the environment sector, aiming particularly to improve enforcement of environmental legislation, including in the mining sector
- Explore further opportunities to contribute to energy efficiency overall, as well as potentially linking energy efficiency measures with development of renewable energy sources in rural areas where deforestation is a problem